# DIVERSITY MANAGEMENT: THE EFFECTS ON CULTURAL WORKGROUP PROCESSES AND OUTCOMES

## BY

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# ABSTRACT

Diversity management is an issue of key importance to all organisations due to globalisation and internationalisation of trades This study investigates the effects of diversity management initiatives such as recruitment and selection practices, training, policies and how it moderates the relationship between diversity and communication, conflict, decision making and problem solving in cultural diverse groups and ultimately the performance of the group, and equally the satisfaction to remain in the group

A model of diversity management was used to assess the level of diversity management in a multinational communication organisation The objectives were tested using multi – method data collective techniques, incorporating both quantitative and qualitative approaches The analyses and findings from this study suggest that, diversity alone, can have a negative impact on group processes and outcomes which could prove costly to organisation However, if effectively managed and well-coordinated, the negative impacts can be reduced and organisation can capitalize on the positive effects that cultural diversity has to offer in workgroup processes and the outcome will be of beneficial advantage to the organisation

# ACKNOWLEDGEMENTS

# DECLARATIONS

I, hereby declare that the management research report entitled "DIVERSITY

MANAGEMENT  THE EFFECTS ON CULTURAL WORKGROUP PROCESSES AND

OUTCOMES" submitted to National College of Ireland is an original

work done by me, under the guidance of Grace O'Malley, a faculty member of

the School of Business and I have promised confidentiality to the  organization

and the research participants, as a result of the confidentiality agreement, the name of the

Organisation will be referred to as Magnum

ADEBIMPE OGUNFOWORA

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# CHAPTER ONE

# INTRODUCTION

The purpose of this research study is to examine the effects of diversity management policies and practices in organisations with diverse workforce and how it relates to workgroup processes, outcomes and performances Cultural diversity refers to the "representation, in one social system, of people with distinctly different group affiliations of cultural significance" (Cox, 1994 6) Cultural diversity has over recent years become an increasing visible aspect of the Irish society bringing with it both opportunities and challenges It could be seen as a great possibility for the enrichment of all who live in Ireland and could equally be seen as a challenge for people to adapt creatively to the changes required to realise this potential and to ensure that the experience is a positive one for all concerned (CSO, 2006) In January 2005, the Government of Ireland published its National Action Plan against Racism "Planning for Diversity" which set out for the first time an intercultural framework approach to cultural and ethnic diversity in Ireland, and this was a clear demonstration of the government's commitment to adapt policy to the changing circumstances of a more diverse Ireland (CSO, 2006)

For the purpose of this research study, diversity is defined as all ways in which people differs (Wentling and Palm-Rivas, 2000, Wenthng and Palma –Rivas, 1998)

Diversity includes differences in age, education, nationality, gender diversity, length of service with a particular organisation and equally overall work experience This definition categorises different types of diversity for example difference in age, gender diversity, education, nationality, general work experience and the tenure of service within an organisation Diversity management is equally defined as recruitment and selection practices, policies within the organisation and the effective and adequate training provided by an

organisation with the expectation of effectively maximising the potentials of all member of staff (Arredondo, 1996)

**Company Profile**

For the purpose of this research study, Magnum Payment Solutions Limited, Dundalk, Ireland will be the main focus of study Magnum Corporation has been chosen as a case study for this research being one of the leaders in stored value commerce solutions Today, Magnum has over 900 employees in their buildings in Tigard, Oregon (USA) and Dundalk, Ireland that consists of diverse work force ranging from different race, gender, nationality, ethnicity etc

Magnum Corporation was established in 1987, the company has provided account recharge, Payment processing, risk management, customer service and program management for prepaid products offered by its financial, telecommunications, retail and entertainment partners Magnum's solutions are designed to support transactions requiring real-time customer authentication and account management The company's services address the partners needs to maximize revenue by capturing all valid orders, minimize or eliminate liability for clients through fraud management, indemnification, have a direct, branded relationship with their end users through multiple sales channels

Telecommunication industry underpins business in Ireland particularly the export market E-business, financial services, renewable energy, cloud computing all rely on the availability of high quality connectivity, the industry provides direct employment to over 20,000 people and investing 600 million euros every year on capital projects and spending 4 billion euros on purchasing goods and services in the economy ( IBEC , 2011)

Due to the organisation work-force demographics and increasingly competitive global market place, the management initiated a diversity management statement and some human resources policies and practices in the organisation This study intends to look into the impact

an effective diversity management policies and practices would make in culturally diverse workgroup processes and its outcome

## 1 1   Rationale of the Study

The interest to undertake a research study in the area of diversity stemmed primarily from the authors and scholars interest in the field of organisational behaviour and the amount of research already done in the area of diversity management is an indication to its increasing high importance This is an organisational reality being faced by managers every day In particular, many studies are needed to examine potential moderator of workgroup performance relationship in order to allow managers mitigate the potential negative effects and capitalise on the benefits diversity has to offer

This study will use a study framework to analyse the effect of how diversity management would moderate the relationship between cultural diversity and workgroup processes through a review of the various literature on the research topic

This study begins with a discussion on the significance of the study variables, equally a thorough examination of the relevance for the study and the essence for further research will then be discussed This is followed by the research objectives and questions

## 1.2 Relevance of the Study

The study of cultural diversity actually began in the United States of America, following the publication of Workforce 2000 Work and Workers for the Twenty-First Century (Johnston and Packer, 1987) This was done mainly by forecasting that non whites would make up to 29% of new entrants to the workforce in the United States by the year 2000, while native white males would make up only 15% of entrants (Johnston and Packer,1987) The past

decades in Ireland has witnessed great changes in terms of the composition of the workforce, between the year 1993 and 2002, employment grew by over 50%, equally economic growth was accompanied by a rapid increase in the number of women at work as well as an increase in the number of returned irish migrants and non-Irish immigrants (CSO,2005)

Research has shown that diversity among organisation workgroups is inevitable in this age due to internationalisation of trade and businesses (Burnes,2009) This can contribute both positive and negative impacts to group processes and its performances, such as conflict, communication, decision making and problem solving which ultimately affect the performance of both the group and the  organisation (Jehn,1995,Pelled,1995,Smith,K G, Smith,Olian,Sims,O'Bannon, and Scully,1994)

In Ireland, the last two decades have seen major changes in the size and composition of the Workforce (CSO, 2003) The increasing rate of migration into Ireland over the last number of years has brought about further dramatic demographic change In part, this migration has comprised returning emigrants who have been attracted to return home by the booming economy Ireland had a period of extra ordinary growth from 1993 – 2007 and had become one of the world's most dynamic, innovative and globalised economies with extensive external trade and investment links (CSO, 2008) The country's economic success is generally attributed to its educated and flexible workforce, one of the most open economies in the OECD and has a strong track record in attracting investment in Information communications technology, financial services The service sector in Ireland accounts for approximately half of the GDP, throughout the last decade output of services

has grown strongly, as a result of growth in financial services, telecommunications and tourism (CSO, 2008) In addition, immigrants, who come from more than 100 countries, have entered Ireland, bringing with them their own tradition that have led to the development of a multicultural society Currently, Ireland is facing a severe economic challenges and has led to a period of recession and equally a sharp contraction in economic output (IBEC , 2011) Mainly, with rapid changes in the global business economy and the world market, organisations are looking for ways in which profitability could be achieved through organisational practices and policies

Gregory and Milner (2009) indicate that enhanced productivity is a two way process which involves the interest of both employees and employers It is essential for organisations to emphasize on the development and implementation of effective human resources policies and practices that will help to enhance organisational effectiveness through closely aligning the needs of the organisation to those of employee's evolving needs ( Sparrow and Cooper, 2003) However, it is argued that organisations often downplay the effective implementation of human resources practices and policies, especially during the turbulent times like economic downturns ( Burke and Cooper, 2010, CIPD, 2011)

## 1 3 Research Objectives and Aims

The main objectives of this research study is to investigate and observe relationships between cultural diversity and workgroup processes and outcomes within the context of an organisation's diversity management policies, recruitment and selection practices and training

## 1 4    Research Questions

1  What are management's objectives of diversity management policies in Magnum Payment
   Solutions?

2  What is the level of employee awareness of diversity management in the Organisation?

3  What are the effects of diversity management policies and practices on workgroup
   processes and its outcome in Magnum Payment Solutions?

4  What are the effects of diversity management on Organisational performance in Magnum
   Payment Solutions?

## 1 4    Outline of the Research Plan

This research study examines the effects of diversity management on the cultural diversity-
work group performance relationship  Chapter 2 will provide an adequate literature review of
the relevant conceptual framework and introduce the hypotheses  Chapter 3 presents the
sampling methodology, the procedures followed  The results of the data analysis will be
presented in Chapter 4 and finally, Chapter 5 will discuss the conclusions, managerial
implications, limitations of the study and suggestions for future research (Creswall, 1994)

# CHAPTER TWO

## LITERATURE REVIEW

## Introduction

Managing diversity involves recognising various differences in people and valuing, respecting and using these differences to support business performance This section reviews different literature on various concepts of cultural diversity, the value – in – diversity perspective, self categorisation theory, social identity theory and diversity management The purpose of this section is to share with the reader results of studies that are closely related to the current study in question (Creswall, 1994) and equally to relate this study to previous research which exists in the larger context, extending prior research and filling in the gaps This study will provide a framework in order to establish the importance of the study and a benchmark to compare results with other findings (Creswall,1994) This study will use a study framework to analyse the effect of how diversity management would moderate the relationship between cultural diversity and workgroup processes The study framework is presented in Figure 1 1 (See Appendix 1)

As a result of globalisation, this has led to changes in the workforce demographics which is equally a practical concern for the management of multicultural groups Many scholars in the field of organisational behaviour has suggested that organisations should value diversity to enhance organisational effectiveness, but no adequate and explicit data has been made known to support this (Creswall, 1994) This literature review will look into areas on how managing diversity could create a competitive advantage for an organisation and equally on how it could be improved upon The concept of culture will be looked at from different researchers, for example, Hofstede (1991) refers to culture "as a collective programming of mind which distinguishes one group or category of people from another"

This programming includes the learning of ideas, attitudes, habits, tradition and customs

(Harris and Moran, 1991) Equally in this chapter, a review of research on various

types of diversity will be looked at, that is various types of diversity exist at various levels

There will be adequate literature review on cultural diversity, workgroup processes and

outcomes which can bring forth both cost and benefits at all levels of analysis, individual,

workgroup and organisational studies conducted offer conflicting findings concerning

cultural diversity's impact on organisations (Milliken and Martins,1996,Williams and

O'Reilly, 1998)

For the purpose of this research study diversity is defined as all ways in which people differs

(Wentling and Palm-Rivas, 2000, Wentling and Palma –Rivas,1998)

Diversity has shown to be "a double –edge sword" (Milliken and Martins, 1996 403) or a "a

mixed blessing" (Williams and O'Reilly, 1998) and current literature in the effects of cultural

diversity can generally be classified into two categories, those that find positive effects and

those that find negative effects, diversity can be placed on a continuum – on one side we have

basic compliance with the Employment Equality Acts where the focus is on legal compliance

Companies at this end of the continuum tend to be very concerned with operating within the

law focusing more on the statutory obligation than the sentiment behind the legislation

(IBEC, 2009)

Equally, the focus often concerns disadvantage and correcting prior wrongs rather than the

benefits of difference On the other side of the continuum, the focus is at a strategic level, on

integrating individual differences into the organisation to benefit the individual and the

organisation It promotes the individuality of employees and the unique qualities they can

bring to the organisation seeing difference not as a deficit but as a resource and ensuring that

that difference is integrated throughout the organisation from recruitment to retirement

(IBEC, 2005)

The business case for diversity could be seen in different dimension, treating everyone exactly the same way, but to actually provide real equality of opportunity, people need to be treated differently in ways that are fair and tailored to their needs but which must be aligned to business objectives ( CIPD, 2007) For the objectives of an organisation to be met and to remain competitive with a diverse work force, the employees must make their best contribution and this could be linked to their psychological contract, that they want to feel valued at work As a result, the work-force will contribute to the development of the organisation, which will lead to enhanced products and services, open new market opportunities and the organisation will flourish ( CIPD, 2007)

## 2 1  Literature on Cultural Diversity

One of the key drivers behind diversity management is a result of changing workforce in an increasingly competitive global market place, due to rapidly changing composition of the workforce, cultural diversity is becoming increasing important phenomenon in organisations ( Bhadbury et al 2000) term the changing face of organisations as "Workforce diversity"

Due to global changes in demographics, economics and politics, organisations of nowadays are subject to increased diversity (Cox, 1998) Organisations are increasingly operating in a multinational and multi- cultural context which then implies that employees will interact with people from different countries more frequently (Milliken and Martins, 1996) Employees within organisations are equally subject to increased diversity, as free trade agreements and joint ventures bring individuals from very different race and cultures into close contact ( Bhadbury et al, 2000)

Cultural diversity could be said to be one of the foremost topics of interest for management scholars and researchers ( Bhadbury et al, 2000) The importance of such studies is enhanced

through increased environmental uncertainty and increased reliance on teams and groups

processes and interactions for the organisational mission and goals to be achieved As most

organisations move towards flatter organisational structures, managing diversity effectively

becomes an increasing but necessary challenge to ensure effective interaction among diverse

workforce for smooth organisational functioning (Chow and Crawford, 2004, Schneider and

Northcraft, 1999) This research will identify the benefits of diversity management to

improve success in the challenges faced today


## 2.2 The Convergence –Divergence Debate

Increasing internationalisation of trade and businesses during the 1950's and 1960's led

researchers to study the management of organisations across countries There was a general

consensus that the principles of management held universally (Gooderman and Brewster,

2003, Myloni, Harzing and Mirza, 2004) This belief was known as the "convergence

hypothesis" and is based on the concept of "competitive isomorphism" (Fenton-O'Creevy

and Gooderman, 2003) Its basic premise was that 'best practice management' could be

applied anywhere, regardless of geographical location


This followed from the belief that increasing industrialism affects organisations in a

homogenising way, due to advances in science and advanced technological and production

systems which would eventually lead all industrial societies towards similar structures (Kerr

et al, 1960) Such best practice management's were believed to derive from the US model

(Myloni, Harzing and Mirza, 2004)

Growing interest in national differences, stemming from cultural factors, during the 1970's

meant that the "Convergence Hypothesis" began to lose ground Adler and

Barthlomew(1996) report that, of all international organisational behaviour and HRM articles

published between 1985 and 1970, 71% included the concept of cultures Of these almost all

(94%) concluded that culture could have a significant impact on management practices They

reported that cultural assumptions and values can affect the way in which manager's notice, interprets and retain information which can lead to different interactions and behaviours (Myloni, Harzing and Mirza, 2004) This suggests that management and organisation cannot be isolated from their particular cultural environment (Myloni, Harzing and Mirza, 2004) Proponents of the 'divergence hypothesis' argue that " "national, and in some cases regional, institutional contexts are not only slow to change, partly because they derive from deep- seated beliefs and value systems and partly because major – redistributions of power are involved, but most importantly " " even when change does occur this can only be understood in relation to the specific social context in which it occurs ( Gooderman and Brewer, 2003 8)

Child (1918) argues that convergence is occurring at macro – levels of the organisation, for example technological and functional structures, but that aspects at the micro- level such as people's behaviour patterns are diverging This argument suggests that both convergence and divergence can occur at the same time but at different rates and levels


## 2 3   The Cultural Dimension

Culture could be defined as the "mechanism for collective sense making" and equally an enacted system of beliefs, symbols and behaviours which bind people in groups and is transmitted through generations" (Cukier and Middleton, 1996)

According to Hofstede (1991) refers to culture as a collective programming of the mind which distinguishes one group or category of people from one another This programming includes the learning of ideas, attitudes, habits, traditions and customs (Harris and Moran, 1991) Culture has been characterised in a number of ways throughout the years Hofstede (1980), the most commonly cited, through comprehensive research in one multinational organisation, developed four value dimensions (Individualism – Collectivism, Power Distance, Uncertainty Avoidance and Masculinity –Feminity), along which culture may vary (Scully di Luque and Sommer, 2000) Among others frequently cited are Adler (1991) who

outlines six dimensions to describe culture and investigates differences across culture and investigates differences across cultural environments, Hall (1977) who differentiate between low and high context cultures and Devereaux and Johansen (1994) who synthesize elements of Hofstede, Adler and Hall to propose a model of culture with five dimensions ( Cukier and Middleton,1996)

Table 2 1 provides a comparison model for the cultural dimension developed by Hofstede, Adler, Hall and Devereaux and Johansen

## TABLE 2 1

## Comparison Model for Conceptualising Cultural Dimension

| Hofstede | Adler | Hall | Devereaux & Johansen | Aggregated Dimension and Cultural diversity |
|---|---|---|---|---|
| Individualism Collectivism | Relationship to other People | | | Individualism - Collectivism |
| Power Distance | | | Equality Power | Power Distance |
| Uncertainty Avoidance | | | | Uncertainty Avoidance |
| Masculinity - Feminity | | | | Masculinity Feminity |
| | Nature of People | | | Nature of People |
| | Relationship to Nature | | | Relationship to Nature |
| | Activity | | | Activity |
| | Space | Space | | Space |
| | Temporal Orientation | Time | Time | Temporal Orientation |
| | | Context | Context | Context |
| | | | Language | Language |
| | | | Information Flows | Information Flows |

## 2 4    The Concept of Diversity

Milliken and Martins (1996 404 -405) states that research on diversity is a challenge to review because it spans multiple disciplines, assesses the effects of various types of diversity, focuses on many different dependant variables and employs a wide range of groups and settings As with concept of culture, although there are various definitions of diversity there still remains no real consensus as to what constitutes "diversity" Bhadbury et al (2000) explain that the traditional view of organisation characterised by "Workforce Diversity" is one in which there are increasing numbers of non – dominant or minority social groups, based on gender, race, ethnicity or nationality, resulting in heterogeneity in socio –cultural perspectives, worldviews, lifestyles, language and behaviour

Milliken and Martins (1996 402) define diversity simply as "variety or a point or different aspect in which things differ" In current management literature the concept of diversity has been extended and broadly defined to include differences in gender, race, ethnicity, national origin and even geographical origin in addition to factors such as age, functional and educational backgrounds, tenure of service with organisations and lifestyle, among other personal characteristics (Bhadbury et al   2000, Larkey , 1996  Shaw and  Barret –Power, 1998)  Jackson, May and Whitney (1995 165) define diversity as"    "the presence of differences among members of a social unit "Pelled et al (1999 101) refer to diversity as the "degree to which a work group or organisation is heterogeneous with respect to a number of demographics attributes" (Including gender, age, ethnicity, tenure or attributes that identify an individual's position in society) Larkey (1996   465), drawing on the works of Ting – Toomey (1993)Tri andis (1972) and Tajfel and Turner (1979) define it as "differences in worldviews or subjective culture, resulting in potential behavioural differences among cultural groups

For the purpose of this research and understanding current theory, diversity is defined

as "Variety" (Milliken and Martin, 1996) or differences in a range of human qualities among

individuals (Bhadbury et al, 2000)

It is essential to differentiate between the different types of diversity as these can have

differential impacts on the processes and subsequent outcomes of diverse workgroups


## 2 5    Types of Diversity

Research review on cultural diversity has revealed that diversity can be viewed as a multi –

faceted construct whose different faces interact with team process to shape performance in

different ways (Simons, Pelled and Smith, 1999, Larkey, 1996, Milliken and Martins, 1996,

Shaw and Barrett –Power, 1998)

Distinction between the various types of diversity exits at various levels  For example Pfeffer

(1983) refers to organisational cohort membership, this argument is based on the premise that

people who join an organisation at the same time will develop similar identification and

communication patterns based on their common time of entry to the organisation  He also

argues that diversity among work group members with respect to time of entry to the

organisations or to a sub unit has the potential to affect patterns of interaction among work

group members  Social category membership, as a form of diversity refers to explicit

differences among workgroup members with respect to gender, race and ethnicity (Pelled,

1996)

International diversity refers to differences in knowledge bases and perspectives, which arise

as a function of differences among group members in educational background, training and

work experience, And Jehn, Northcraft and Neale (1999) refer to value diversity which

occurs when members of a group differ in terms of what they perceive the group tasks, goals

and targets to be met, an individual's fundamental beliefs regarding the desirability of

behavioural outcomes

However, the most commonly cited distinction of diversity, is between diversity as observable or readily detectable attributes , such as race, ethnicity, age or gender and diversity with respect to less visible or underlying attributes such as education, functional background, technical abilities and tenure in the organisation, personality characteristics, or values ( Milliken and Martins, 1996, Shaw and Barrett –Power, 1998) While attributes may be correlated, these two types of diversity are not mutually exclusive For example, differences in gender or ethnicity may be associated with differences in underlying attributes, such as personality characteristics or values, however, this does not exclude members with different cultural backgrounds from exhibiting the same personality characteristics or values (Milliken and Martins , 1996)

Researchers tend to agree that most components of culture adhere to the underlying or less visible attributes, which makes them more difficult to understand and therefore harder to change ( Kotter and Heskett, 1992) There also tends to be agreement surrounding the idea that, in any given culture some values are regarded as more central than others (Lachman, Nedd and Hinings (1994) refers to these core values which represent relatively high positioned values in the value hierarchy, and exert considerable social influence as compared to periphery values Such as core values are more important, more enduring, more resistant to change and more likely to cause conflict in intercultural interactions, particularly, if they are invisible Another reason for differentiating between observable and non- observable types of diversity is that, when differences between people are visible, they are more likely to influence our early social cognitions about a person to evoke responses that are due to biases, stereotypes or prejudices (Shaw and Barrett –Power , 1998, Milliken and Martins, 1996)

Jackson, Stone and Alvarez (1992 56) explain social cognitions to be " the inferential logic by which people translate easily detected information about demographics

attributes into best –guess hypotheses about personal attributes of a stranger".

For the purpose of this research study, diversity is defined as "all the ways in which people differ". It encompasses all the characteristics that result in one individual being different from another, it is all –inclusive and also recognises that the diversity of each and every individual should be valued (Wentling and Palma –Rivas, 1998; Griggs, 1995; Kossek and Lobel,1996).

## 2.6    Literature on Cultural Diversity, Workgroup Processes and Outcomes

Cultural diversity induces both costs and benefits at all levels of analysis: individual, workgroup and organisational. Previous studies conducted offer conflicting findings concerning cultural diversity's impact on organisations (Milliken & Martins, 1996 ; Williams & O'Reilly, 1998).

Diversity has shown itself to be a "double-edged sword" (Milliken and Martins, 1996: 403) or a "mixed blessing (William and O'Reilly, 1998) and current literature on the effects of cultural diversity can generally be classified into two categories those that find positive effects and those that find negative effects.

Proponents of workforce diversity demonstrate that diverse workgroups can be more creative and arrive at better quality decisions than homogeneous groups (McGrath, 1984; McLeod and Lobel,1992). Other advantages of diversity in groups include improved decision making and problem solving, enhanced creativity and innovation, an increased ability to adapt to environmental change and a reduction in cost related to turnover and absenteeism. However, Campion et al. (1993) indicate findings that differences in workgroups member background and expertise either had no impact or decreased group effectiveness, depending on the criterion measures used. Findings of other research do not support the notion that diverse workgroups necessarily perform better, experience higher levels of satisfaction or feel more committed to the organisation (Jackson et al, 1995, Milliken and Martins, 1996; William and O'Reilly, 1998). Instead, they made suggestion that while diversity is associated with more creativity and innovation; it simultaneously produces more conflict (Jehn et al, 1999;

Williams and O'Reilly, 1998) and Jackson et al (1995) report that diversity is associated with increased turnover within a top management team Williams and O'Reilly (1998) also point to findings that group diversity contributes to problems of communication and cohesion between group members which can increase group conflict While conflict can at times prove to be productive by avoiding "group think" and generating alternative views, other forms can prove detrimental to group processes and inhibit the performance of the group ( Jehn, 1995)

## 2 7  Positive Effects and the Value-in Diversity Perspective

Studies based on the "value –in diversity" perspective have generally demonstrated that diversity within workgroups improves their performance ( Cox et al,1991,Watson,1993) The resource based view of the firm provides a theoretical rationale for predicting the positive effects of diversity on the organisation The resource based view believes that in order for organisations to achieve sustainable competitive advantage they must selectively obtain and effectively utilise tangible ( financial and physical), intangible (technological, reputation and culture) and human resources ( skills, capacity for communication, collaboration and motivation) which are valuable, rare, imperfectly imitable and non substitute ( Barney, 1991, Grant,2002) Recently it has been suggested that technological and physical sources of competitive advantage have become easier to imitate This implies that advantages in human resources will be the key differentiating factor for organisation ( Pfeffer, 1994, Richard,1999)

Human Resources can be considered imperfectly imitable as they are founded on social complexity, historical conditions and are casually ambiguous Social complexity results from human interactions (Wright et al, 1994) Thus relationship between the employees of an organisation may become complex social situations due to knowledge and trust developed between them over time Historical conditions within the organisation imply that a synergistic work culture may only be achieved if developed over time Most importantly, it is the unique grouping of employees that leads to sustainable competitive advantage

With an increasing diverse workforce and the use of workgroups and teams, it is unlikely competitors are in a position to recreate a team, with the exact composition and the same attributes as those within teams at the other firm ( Wright et al, 1994)

Cox and Blake ( 1991, 2001 47) adhere to the value – in diversity approach in order to create an explicit link between diversity and organisational competitive advantage While they acknowledge that organisations have social responsibility goals, they offer six other areas which can be of benefit from successfully managing cultural diversity and they are as follows

1 Cost – As organisations become more diverse, the cost of a poor job in integrating workers will increase Those who handle this well will thus create cost advantage over those who don't

2 Resource -Acquisition Arguement --- Companies develop reputations on favourability as prospective employers for women and ethnic minorities Those with the best reputations for managing diversity will win the competition for the best personnel As the labour pool shrinks and changes composition, this edge will become increasingly important

3 Marketing Arguement - For multinational organisations, the insight and cultural sensitivity that members with roots in other countries bring to the marketing effort should improve these efforts in important ways The same rationale applies to marketing to sub populations within domestic operations

4 Creativity Arguement –Diversity of perspectives and less emphasis on conformity to norms of the past (which characterise the modern approach to management of diversity) should improve the level of creativity

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5 Problem – Solving Arguement --- Heterogeneity in decision and problem solving groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues

6 System Flexibility Arguement--- An implication of the multicultural model for managing diversity is that the system will become less determinant, less standardised, and therefore more fluid The increased fluidity should create greater flexibility to react to environmental changes (i e reactions should be faster and at less cost)

Cox and Blake's (1991) six arguements adhere to the theory purported by the resource based view and support Barney's (1991) arguement that organisations can obtain competitive advantage from unique social relationships which are valuable, rare, imperfectly imitable and non- substitutable However, it should be noted that diversity and valuing are not the same thing (Loden, 1996) In other for an organisation to truly value diversity they must be diverse at all levels throughout the organisation, simply having a diverse workforce at lower levels of the organisation does not mean that organisation values diversity

## 2 8   Positive Effects of Cultural Diversity on Work Groups

The most frequently cited positive effects of diversity at the group level include, increased creativity, flexibility and better decision –making and problem solving (e g  Cox, 1994, Elsass and Graves , 1997, McLeod, Lobel and Cox, 1996)

Robinson and Dechant (1997 27) state that "attitudes, cognitive functioning and beliefs are not randomly distributed in the population, but tend to vary systematically with demographic variables such as age, race and gender" This implies that increased cultural diversity among group members result in the presence of different perspectives, increased creativity and better decision making and problem solving capabilities From the perspective of the resource based

view, these positive outcomes have the potential to contribute to a firm obtaining competitive advantage McLeod et al. (1996) found that due to increased and higher quality decisions; diverse workgroups had a distinct performance advantage over homogeneous groups. Likewise, Kanter (1983) found that in order to generate different perspectives the most innovative companies deliberately establish diverse teams.

Chatman, Polzer, Barsade and Neale (1998) assessed group productivity in terms of (a) the number of tasks performed (b) the average number of minutes spent completing each task and (c) the percentage of total tasks each addressed. Through this study, they found that, increased ethnic and gender diversity among group members was associated with decreased interaction but increased productivity.

From this and other studies (e.g. O'Reilly et al, 1997) it could be concluded that diverse groups experience increased productivity because they are focused on the task and less on socialising with other group members.


Watson, Kumar and Michaelson, (1993) found that homogeneous workgroups are more effective at problem solving than heterogeneous group when groups have been recently formed. However, after nine weeks together, both homogeneous and diverse groups performance had converged with respect to the range of alternatives generated. By the end of the study ( a total of 17 weeks), the diverse groups were more effective than the homogeneous groups on the task elements of identifying problem perspectives and generating more alternatives. This study reports the possible benefits of increased creativity and improved problem solving, however it also indicates that such benefits emerge overtime and will not be present at the outset of group tasks. It is therefore the duty of management to effectively manage diversity in order to maximise the benefits diversity can contribute to group processes and performance. In contrast, many studies have found that diversity can have detrimental effects on individuals, groups and organisations ( Richard et al, 2004; Pelled et al, 1999; Tsui et al; 1992).

## 2.9 Negative Effects of Cultural Diversity on Workgroups

Among the negative effects associated with diversity in groups are, members of diverse groups tend to be less socially integrated, they show less commitment to their organisations ( Harrison, Price and Bell, 1998, Tsui, Egan and O'Reilly, 1992), they communicate less with one another (Hoffman, 1985, Watson et al, 1993), have higher absentee rates ( O'Reilly, Caldwell and Barnett, 1989, Tsui et al, 1992) experiencing more destructive conflict (Jen et al, 1999) and they take longer to make decision (Hambrick, Cho and Chen, 1996)

## 2 10 Negative Effects and the Social Identity Perspective

According to Tajfel (1992), he introduced the concept of social identity as, an "individual at Knowledge that he belongs to certain social groups together with some emotional and value significance to him of this group membership" (Tajfel, 1972 292) Social identity theory suggests that individuals classify themselves and others according to salient characteristics, such as gender, race and ethnicity and assign them to categories (Brunetto and Far –Wharton, 2002, Haslam, 2002) Individuals will then identify more with members who display similar characteristics and belong to a similar ( in-group) category than with those who belong to dissimilar ( out –group) categories (Chow and Crawford, 2004) Socially constructed identities can have consequences which may include in –group favouritism, negative stereotyping, subordinating of out – groups, intergroup competition and role conflict (Chow and Crawford, 2004, Wharton, 1992) Brewer (1979) reports that categorising people into groups can lead to the perception that out –group members are less trustworthy, honest and less co-operative than members of their in –group (Tsui, Egan and O'Reilly, 1992)

## 2.11 Negative Effects And Self – Caterigorisation Theory

Self-categorisation theory is an extension of social identity theory and was developed by Turner and his colleagues (Turner,1985,Turner et al,1987) It is concerned with the

antecedents, nature and consequences of psychological group formation Hogg and Terry (2000 123) define self – categorisation theory as " an extended social identity theory of the relationship between self –concept and group behaviour that details the social cognitive processes that generates social identity effects" It is a process of depersonalisation such that people are viewed as the embodiment of prototypes rather than as unique individuals (Hogg and Terry, 2000)

Prototypes are those attributes which characterises groups and differentiate them from other groups They include attributes such as values, beliefs and attitudes, feelings and behaviours (Hogg and Terry,2000) Most importantly, the creation of prototypes tends to maximise intragroup similarities and intergroup differences

Therefore, social identity theory and self –categorisation theory predict that culturally homogeneous workgroups will perform better and have more positive outcomes than diverse groups This is because homogeneous workgroups do not experience significant cultural barriers to social interactions (Blau,1977, Richard et al,2004) Therefore, they will experience positive in-group attitudes, cohesion, cooperation and shared norms (Hogg and Terry,2000) which will encourage them to communicate more frequently, decrease levels of conflict and increase members satisfaction with the group and the organisation (Richard et al,2004,Tafjel and Turner, 1985,William and O'Reilly, 1998) which will reduce absentee and turnover rates

However, as the workforce becomes increasingly diverse and workgroups are composed of members who are culturally diverse, it is assumed from social identity and self – categorisation theory that the psychological processes of social categorisation will occur more frequently This will create barriers to social interactions as members within workgroups form biases, categorising diverse members according to prototypes Research on social categorisation most commonly cites categorising individuals according to race, ethnicity or gender (Richard et al,2004,Brunetto and Far-Wharton,2002,Haslam,2002) However, following the diversity arguement discussed earlier, categorisation could also occur

according to characteristics such as age, experience, tenure in the organisation, personality characteristic or values When members of a workgroup perceive their fellow workgroup members to belong to different social categories ( out –groups) it can result in stereotyping, the increased potential for relational conflict and communication will be less frequent (Richard et al,2004,Earley and Mosakowski,2000) In addition, Pelled et al (1999) suggest that employees may choose to ignore the contributions of out- group members These outcomes can have detrimental effects and significantly reduce group performance

The discussion so far has indicated the potential benefits and costs of cultural diversity within groups as reported by researchers in the domain of cultural diversity The findings of such research suggest that while cultural diversity has the potential to contribute significant advantages to groups in terms of alternative perspectives and increased creativity, the costs in terms of processes losses ( e g poor communication, increased conflict, less cohesion) can outweigh any such benefits, such that diversity ultimately reduces group performance Most importantly, the possibility of group members ignoring the contributions of diverse members automatically cancels out any benefits which can accrue to the group from a diverse membership

Researchers have acknowledged that the impact of cultural diversity is highly context dependant (Campion et al, 1993) Therefore it is the role of the management in an organisation to effectively manage cultural diverse groups and the organisational environment to ensure that the context is shaped such that the benefits of culturally diverse workgroups are maximised and any negative effects are eliminated

## 2 12 Literature on Diversity Management

An organisation does not simply reap the benefits such as increased creativity, more innovation and enhanced teamwork from employing a culturally diverse workforce (Loden, 1996) Unless diversity is appreciated, cultivated and effectively managed it will result in

32

higher rates of absenteeism and turnover, increased conflict, reduced productivity and lost

sales (Loden, 1996) As such, effective diversity management and implementation of

diversity initiatives is crucial to an organisation gaining competitive advantage over

competitors in terms of the benefits associated with diversity Thomas (1991 167) defines

managing diversity as " holistic approach to creating a corporate environment that allows all

kinds of people to reach their full potentials in pursuit of corporate objectives" In order to

gain an understanding of what is meant by diversity management today, it is useful to gain an

understanding of what has led to the current perception of managing diversity and to

differentiate it from affirmative action and from equal opportunity programmes

## 2 13    Affirmative Action

Affirmative Action (AA) originated in the United States of America during the mid-1960's

and early 1970's (Ag'ocs and Burr, 1996) It was developed as a response to racial

discrimination by employers which resulted in the exclusion, segregation and disadvantaging

of coloured people Any employers who received grants or benefits from the US government

were required to report data on the corporation of their workforce and to set goals and

timetables to improve the representation of disadvantaged underrepresented groups

(e g Women, Blacks, Hispanics, Asians) in their institution Equally with the publication of

Workforce 2000 Work and Workers for the 21st Century, a report by the Hudson Institute in

1987 (Johnston and Packer, 1987) From 1990's onward the concept has gamed popularity as

a new management approach in UK with the introduction of legislative and regulatory

framework in the UK in relation to equality and diversity

Compliance with affirmative action requirements was enforced during the 70's which

Resulted in increased income for these groups as well as an increase in the number of small

businesses owned by black entrepreneurs (Agoc's and Burr, 199,Konrad and Linnehan,

1995, Taylor and Liss,1992) Due to its focus on increasing the representation of minorities

through targeted hiring, affirmative action is often referred to as "hiring by number" (Ago'cs

and Burr,1996) However, it is not designed to address issues of integrating and retaining

these minorities once hired As such it does not emphasise changing organisational policies,

procedures, practices and culture to ensure minorities are treated as equal participants within

the organisation in terms of opportunities, rewards and career development

Research on the effects of affirmative action has demonstrated its negative effects,

researchers have referred to "white male backlash" (Kidder, Lankan,Chrobot-Mason,Mollica

and Friedman,2004,Miller and Wheeler,1992,Morrison and Von Glinow,1990,Thomas and

Alderfer, 1989) which is defined by Kidder et al (2004 79) as "a negative response to a

decision or policy that occurs when a person thinks that others have received undeserved

benefits" Backlash can result in continuing discrimination and harassment and further

contribute to job dissatisfaction and turnover (Ag'ocs and Burr,1996) which can further

increase the process losses of culturally diverse workgroups

## 2.14  Equal Employment Opportunity Programme

This actually emerged in the United States of America and Canada in the mid 1980's and

early 1990's, this actually came to existence due to the persistence of discrimination towards

minorities (Ag'ocs and Burr, 1996)  In Ireland, employment equality law has been greatly

influenced by the treaty of Rome, the Anti-Discrimination (Pay Act, 1974) and decisions of

the European Court of Justice and domestic courts and tribunals (Fullerton and

Kandola, 1999)  Prior to the Employment Equality Act of 1998, Irish legislation focused

primarily on discrimination based on gender and marital status  The Employment Act 1998

recognised other forms of diversity ( shown in table 2 2) since the Employment

Equality Act 1998, two further acts have been issued  The Equal Status Act 2000 and the

Equality Act 2004  These acts define discrimination "as the treatment of one person in a way

that is less favourable than that in which another person is, has been or would be treated"

( Fullerton and Kandola,1999)  There are nine grounds of discrimination which are gender,

marital status, family status, age, disability, race, sexual orientation, religious belief and

membership of the traveller community

# TABLE 2 2

## NINE GROUNDS OF DISCRIMINATION

Gender

| Marital Status | Single married separated divorced widowed |
|---|---|
| Family Status | Defined as having responsibility either as parents for someone under 18 years of age or as a primary carer for someone over 18years with disability who requires a high degree of support and attention |
| Age | This covers people between 18 and 65 years |
| Disability | |
| Race | Includes race colour nationality ethnic or national origins |
| Sexual Orientation | Heterosexual, homosexual or bisexual orientation |
| Religious belief | Religious background or outlook |
| Membership of the traveller community | |

As a result of Equal Employment opportunity strategies, diversity management has been a crucial importance to virtually all organisations to manage the diverse workforce Ag'ocs and Burr(1996) has identified various expected benefits of diversity management programmes amongst which are –decreased conflict and stress, enhanced productivity of heterogeneous teams or workgroups, improvement in morale and improvement in staff retention, all these will be linked to the hypotheses Both affirmative action and equal employment opportunity strategies offer minimum requirements to organisations

Diversity management has evolved from these strategies, though differs in significant ways, it's all about looking for specific activities, initiatives programmes, policies and other formal processes or efforts designed to promote organisational culture change related to diversity

(Arredondo, 1996, Wentlmg and Palma-Rivas, 2000) Accordmg to the surveyed carned out by Wenthng and Palma –Rivas (2000) in a eight multmational corporation in the United States, the study found that partıcıpants reported a total of 116 inıtıatıves which were currently utılısed, the inıtıatıves were in the area of leadershıp & management, education & traınıng, communıty relations, communıcatıon, performance and accountabılıty, work – lıfe balance and career development

One of the most wıdely used dıversıty inıtıatıves is traınıng workshops Grant and Kleıner, (1977) Partıcıpants m the Wentlıng and Palma –Rıvas (2000) study belıeved educatıon and traınıng to be ımportant in developıng awareness about dıversıty and to buıld skılls to help employees understand the need for and the meanıng of managıng and valuıng dıversıty as well as to educate employees on how to respond to cultural dıfferences and aıd them in workıng in culturally dıverse teams Researchers (Ag'ocs and Burr, 1996, Grant and Kleıner, 1997, Lıff, 1997, Wentlıng and Palma-Rıvas, 4998, Wentlıng and Palma –Rıva,2000) ıdentıfy two approaches to dıversıty traınıng, awareness –based traınıng and skıll- based traınıng

The adoptıon of awareness based traınıng aıms to raıse awareness of dıversıty concerns and reveals employees stereotypes and assumption about others It ıs prımarıly cognıtıve and ıs desıgned to ıncrease employee knowledge, awareness and sensıtıvıty to cultural ıssues ( Grant and Kleıner, 1997), whıle skıll based traınıng ıs prımarıly behavıoural, and aıms to provıde tools to promote effectıve ınteractıon in heterogeneous work settıng It ıs desıgned to ımprove morale, productıvıty and creatıvıty through effectıve ıntercultural communıcatıon whıch wıll help an organısatıon to maxımıse the benefıts of havıng a culturally dıverse workforce and gaın a competıtıve advantage over competıtors Many scholars and researchers have ındıcated that dıversıty management programmes offer benefıts such as ımproved organısatıonal performance (Rıchard,2000), lower levels of absenteeısm (Robınson and Dechant, 1997), ıncreased creatıvıty and ınnovatıon (Elron, 1997) and a hıgher qualıty problem solvıng (Hubbard, 1999)

Ag'ocs and Burr (1996) identify the following expected benefits of diversity management programmes (a)decreased conflict and stress (b) enhanced productivity of heterogeneous teams or workgroups (c) Improvements in morale (d) Improvement in job satisfaction (e) Improvement in staff retention

Diversity management seeks these objectives by attempting to change the attitudes of individuals and to some extent their behaviour through a programme which is designed to promote awareness of differences and empathy for those who differ (Ag'ocs and Burr,1996) Based on the literature review it has been indicated that workgroups who are composed of members who are culturally diverse can experience significant benefits and can also experience many negative consequences, it is duty of the management of an organisation to moderate the relationship between cultural diverse work group processes, so as to bring positive outcomes, by putting in place initiatives, training, policies and activities in line with the organisation culture and mission While advocates of diversity training and diversity management state those benefits of diversity management programmes, based on the literature review so far there's no qualitative data to indicate whether those perceived benefits are ever realised As organisations are now investing more in these initiatives, such data is crucial as indication to whether the time, effort and expense involved in implementing such initiatives are merited The findings during the main research study will be used to test the hypotheses and this will be valuable for future research in this area of research

**Summary**

This chapter has presented a review of the existing literature relevant to the study of cultural diversity, the effects of diversity on workgroup processes and diversity initiatives

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3 1    Introduction

Diversity management is an on- going issue that is of significant importance to virtually all

organisations and its has now called for the attention of authors, researchers and writers to

throw more light to the topic this has been analysed through books and websites

(De Vaus ,2009)

Saunders et al (2009) suggests that the determination of research philosophy will enable the

researcher to recognise the potential assumptions and plans with regards to the research

process The assumptions and plans underpinning the research context will help researcher in

developing research strategies and methods which enable to achieve logical and ethical

results

The main aim of this chapter is to outline the research methodology that was employed in this

research, firstly, the research sample is described followed by a discussion of the research

methods employed and finally, the precise scales and measurement instruments used to

evaluate the various constructs under which the study are outlined

## Research Strategy - Qualitative and Quantitative Methods

Saunders et al (2009) indicates two types of data collection methods in a research context,

they include qualitative methods and quantitative methods Qualitative methods involve data

collection using techniques such as semi-structured interviews, laboratory or field

observation, documentation and case studies (Yin, 2009) Whereas quantitative methods

involve data collection using techniques such as survey questionnaires, structured interviews

and experiments (Saunders et al, 2009) This research study uses both quantitative and

qualitative data collection methods which include survey questionnaire and semi-structured

interviews This research study adopts a mixed strategy and uses a combination of both the

survey strategy and the case study strategy Babbie (2010) indicates that the use of case study strategy enables the researcher to examine the small number of respondents in-depth and closely to their real life contexts whereas the use of survey strategy enables to gather information from a large number of respondents in a feasible way

The selection of case study strategy provides the researcher an opportunity to examine, and understand the structure, operational processes, culture, functions and other conditions instantly by being within the research environment, which cannot be achieved using other methods (Saunders et al, 2007) It employs qualitative techniques like semi-structured interviews and provides a chance to manifold different levels of analysis through enabling qualitative case design, which as an ability to give full and in-depth vision of the research context An explicit and detailed employee survey was distributed to employees of Magnum that constitutes various departments in the organisation, the department consists of Management, Administration, IT, Call Center Staff, and Support services Also, an in-depth semi- structured interview with two member of the Senior management staff, the HR Manager and the Finance Director

**Purpose of the Research**

(a) To identify the objectives of diversity management policies in Magnum Payment Solutions

(b) To examine the level of employee awareness of diversity management policies in the Organisation

(c) Examining the effects of diversity management policies and practices on workgroup Processes and its outcome in Magnum Payment Solutions

(d) Examining the effects of diversity management on organisational performance in Magnum Payment Solutions

**Research Questions**

1 What are management's objectives of diversity management policies in Magnum Payment
Solutions?

2 What is the level of employee awareness of diversity management in the Organisation?

3 What are the effects of diversity management policies and practices on workgroup

processes and its outcome in Magnum Payment Solutions?

4 What are the effects of diversity management on Organisational performance in Magnum

Payment Solutions?

## 3 2 Benefits of the Research

Diversity management is an essential and significant in most organisation's today, it is

intended to make people gain insight into the issues, as it is an ongoing issue based on a real

problem faced by people and affects the lives of the majority of employees

Magnum Payment Solutions, Dundalk has been chosen and seen as appropriate for this

research study because of the over reliance of work group and teams for the organisation to

function

Researching into this topic will make a difference for employees of Magnum Payment

Solutions, Dundalk, equally information gathered through the use of both qualitative and

quantitative methods will be used to form the basis for any suggestion or measures to be put

in place in the organisation , which will be both of beneficial advantage to the employees and

the organisation at large

## 3 3 Procedures for the Methodology

Semi- structured interviews were held with the Finance Director and the HR manager,

this is done to assess the level of diversity management within the organisation, the driving

forces of diversity management and existing measures of diversity management. Questions

were developed to assess each of these constructs and this served as an agenda for how the

interviews would be conducted. For a list of the interview questions (See Appendix 2)

After the interview, employees received an online survey which was distributed by email

with the help of the HR manager. Although the survey was voluntary, the HR manager asked

for the participation of all employees and employees were given company's time to complete

it. The survey was accompanied with an introductory note describing briefly the nature of the

study and assuring participants complete confidentiality and anonymity. (See Appendix 3)

The survey consisted of 34 questions and all required a response thus eliminating the

occurrence of missing values. Administration of the questionnaire was later followed up by

thanking all those who had participated and urging those who had not yet responded to please

do so. According to Saunders et al (2009) the use of survey strategy enables the researcher to

gather data for large sample in a cost effective way within a short period of time. It is the

least expensive strategy and uses techniques such as online survey questionnaires consisting

of both open and closed questions.

When approaching the HR manager of Magnum Payment Solutions, the author was

met with a lot of sensitivity on behalf of the company's privacy, equally respondents were

also concerned about given out information relating to their perception of the organisation's

policies and practices and the performance of their workgroups. Sensitivity affects almost

every stage of the research process. However, the fact that sensitive topic pose complex

issues and dilemmas for the researcher does not imply that such topics should not be studied.


Sieber and Stanley (2008) are quoted saying "shying away from controversial topics, simply

because they are controversial is also an avoidance of responsibility" ( Lee and Rensetti,

1993:11) Furthermore, Lee and Rensetti (2003) argues that though ignoring the

methodological difficulties inherent in researching sensitive topics the researcher is being

socially and scientifically irresponsible as this ignorance can potentially generate flawed

conclusions on which both theory and public policy may subsequently be built As a result of this, the author found it necessary to ensure that questions posed were as soft as possible and to assure respondents the strictest confidentiality and complete anonymity

## 3 4    Questionnaire Survey

The questionnaire method was chosen for the majority of the sample, the staff strength of Magnum is 80, questionnaires were distributed to 65 people, with a response rate of 59, the questionnaire is aimed at understanding respondents feelings, opinions, views and perceptions towards the research topic, as it affects their daily lives in the organisation, this will help in gaining honest answers and will equally be used as a scale of measurement to balance the validity and reliability of the research findings, all information will be confidential The questionnaire consist of gender, age, staff group, marital status, and workgroup processes, job responsibilities It also includes managers and organisations response to diversity management initiatives, this is aimed to get respondents opinion to see if there is anything the organisation could do to improve the existing policies in Magnum The questionnaires consist of a mixed sample and were distributed to different employee in all the functional departments in the organisation It consists of 34 questions on diversity management with a mixed content of open and closed questions The mixed style of questions seems appropriate for participants not to be bored with too many in-depth questions and also to avoid the risk of incomplete survey A copy of the questionnaire survey can be found at Appendix 3

The staff strength of employees in Magnum, Dundalk, Ireland is 80,the respondents were given freedom to complete the questionnaire in their own time within a set time limit, 59 employees submitted a completed questionnaire

## 3 5  Semi-Structured / In depth Interview

The interview helped to gain awareness of the diversity management policies currently in place within the organisation and equally identifying management objectives for those policies, this was a face to face interview and conversational in nature  The semi-structured interview  was conducted with the Finance director and the HR manager, the interview with the HR manager seems appropriate as she is most familiar with the policies, practices and training implemented in the organisation as well as the working structure in place  This really helped and allows a degree of flexibility with series of questions to ask in the interview relating to the research topic  Information gathered were written down in a notepad, so as to help in keeping records of what happened at the interview and the conversation that took place  The interviews were conducted first and this really helped as the interviews provided information that shaped the questionnaire  A copy of the interview questions  can be found at Appendix 2

## 3 6  **Measures**

3 6 1  Mediating Variables

The mediating variables in this study concern workgroup processes, four mediating variables were examined, communication, conflict, decision making and problem solving  All responses to the four variables were obtained and averaged to obtain an overall measure using the 5 Point Likert scales anchored by 1=" Strongly disagree "and 5 =" Strongly Disagree", 1 =" Poor "and 5 =" Excellent"1 =" Very dissatisfied and 5 = "Very Satisfied", 1="Always" and 5 = "Never"

3 6 2  Moderating Variables

        Diversity Management

The questions for the semi- structured interview were designed to assess the drivers of diversity management in the organisation in the area of policy, recruitment and selection,

and training and whether measurements existed to assess the effectiveness of the initiatives implemented ( See Appendix 2)

An average of the total number of initiatives implemented is used to assess the level of diversity management in the organisation and diversity management was analysed qualitatively

An adapted version of the diversity management scale was included with the employee questionnaire to assess their awareness of the level of diversity initiatives implemented in the areas of policy, recruitment and selection and training within the organisation These items were then averaged to gain an overall measure of perceived policies, perceived recruitment and selection practices and perceived training

## 3 7  Analysis

A number of statistical techniques were use to test hypotheses using the statistical package for social scientists (SPSS Version 11 0) These techniques included Cronbach's co efficient alpha to measure reliability of the scales and equally a correlation analysis of the findings from the interview conducted with the senior manager and the HR manager

### 3 7 1   Scale Reliability Analysis

Prior to data analysis, several issues were considered to ensure reliability of the questionnaire scales employed in data collection, Cronbach's co- efficient alpha is a popular method used by researchers to measure the reliability of multiple item scales Reliability co- efficient greater than 70 are generally used as the rule of thumb (Nunnally, 1978) However, social science research often reports co efficient alpha reliabilities under 70 ( Hatcher, 1994) and Caplan, Naidu and Tripathi (1984) suggest that reliability coefficients of greater than 50 are adequate for research purposes

Therefore, reliability tests using Cronbach's alpha were performed on the scales measuring communication, conflict, decision making and problem solving, perceived performance and

perceived policies, recruitment and selection and training which were administered to employees participating in the study. The result of the scale reliability tests are displayed in Table 3.1

TABLE 3.1

Reliability Test Scale.

MAGNUM PAYMENT SOLUTIONS LTD

| Communication Scale | 0.8674 |
|---|---|
| Number of Items | 6 |
| Number of Cases | 59 |
| Conflict Scale | 0.8836 |
| Number of Items | 6 |
| Number of Cases | 59 |
| Decision Making and Problem Solving | 0.4452 |
| Number of Items | 4 |
| Number of Cases | 59 |
| Perceived Performance | 0.822 |
| Number of Items | 2 |
| Number of Cases | 59 |
| Policies Scale | 0.8152 |
| Number of Items | 4 |
| Number of Cases | 59 |
| Recruitment and Selection | 0.7376 |
| Number of Items | 4 |
| Number of Cases | 59 |
| Training Scale | 0.8037 |
| Number of Items | 6 |
| Number of Cases | 59 |

All of the scales can be seen to meet the criteria of Caplan, Naidu and Tripathi (1984) with the exception of the "decision making and problem solving scale", analysis of all of the other scales revealed that they were highly reliable, thus increasing the soundness of the finding.

## 3 7 2  Correlation Analysis

Correlation is a statistical technique used to explore the relationship between two or more variables  Through the use of this technique researchers are able to compute a quantitative index of such a relationship (correlation coefficient)  The correlation coefficient, which is most appropriate for the current study, is the Pearson product – moment correlation coefficient, often referred to as Pearson's r (Bryman and Cramer, 2001)  Correlation coefficients range from r =1 00 to r = + 1 00, indicating perfect negative correlation and positive correlations irrespectively  A correlation of 0 0 indicates absolutely no association between variables ( Pavkov and Pierce, 1977)  The absolute value of r indicates the strength of the relationship between the variables under study, as well as the direction of that relationship (i e  positive or negative)  Correlation analysis is therefore often referred to as " measure of association" ( Pavkov and Pierce,1997 87), Sanders, Lewis and Thorn hill (2003) suggest the following scale as a quidelines for measuring the strength of a statistical relationship

FIGURE 3 2

Values of the Correlation Co efficient

| -1 | -0 7 | -0 3 | 0 | +0 3 | +0 3 | +1 |
|---|---|---|---|---|---|---|
| Perfect Negative | Strong Negative | Weak Negative | Perfect Independence | Weak Positive | Strong Positive | Perfect Positive |

Source  Saunders, Lewis & Thorn hill, 2003 363)

Although correlation can yield a significant relationship between two variables, these relationships can be quite low

# CHAPTER FOUR

# FINDINGS AND ANALYSIS

## 4 1 Introduction

The mam purpose of this chapter is to present the research findings of the current study This chapter will begin by providing a brief introduction of the organisation studied This is followed by an analysis of interviews conducted and a description of the level of diversity management implemented within the organisation as reported by the senior managers, which includes the HR Manager and the Finance Director

An overview of survey respondents according to the demographic characteristics is then provided Following this, results of the analysis are presented the findings are then offered in accordance with the research hypotheses

## 4 2 Overview of Magnum Payment Solutions

Magnum Corporation has been chosen as a case study for this research being one of the leaders in stored value commerce solutions, today, Magnum has over 900 employees in their buildings in Tigard, Oregon (USA) and Dundalk, Ireland that consists of diverse work force ranging from different race, gender, nationality, ethnicity etc

Magnum Corporation was established in 1987, the company has provided account recharge, Payment processing, risk management, customer service and program management for prepaid products offered by its financial, telecommunications, retail and entertainment partners Magnum's solutions are designed to support transactions requiring real-time customer authentication and account management The company's services address the partners needs to maximize revenue by capturing all valid orders, minimize or eliminate liability for clients through fraud management, indemnification, have a direct, branded relationship with their end users through multiple sales channels

## 4 3 Diversity Management within the Organisation

Based on the findings obtained from interviews with the Finance director and the HR manager, this section will give an insight into the information gathered. All the managers interviewed had been with the organisation for a considerable length of time. The HR manager had worked for this company for 8 years and had been in the current position for 5 years, he Finance Director had worked for the organisation for 10 years and been in his current position for 7 years. Both senior managers interviewed were very familiar with the policies and practices regarding the treatment, development of staff and the opportunities available within the organisation. They were equally also in a position to provide me with some valuable insights as to how the organisation's workforce had evolved to meet with changing environments and current market demands

### 4 3 1 Attitude to Diversity

Both managers confirmed that they had a very diverse workforce not only in terms of age, gender, education, and experience but also in terms of ethnicity of backgrounds, nationality and religion. However, both declined to provide me with any statistics relating to specific employment figures due to issues of confidentiality

When asked about the organisation attitude to diversity, they commented as follows

' *The organisation appreciates diversity mostly because of the increased creativity it brings and a greater variety of perspectives*" ----- *Finance Director*

"*Our organisation recruits a diverse workforce for a number of reasons. Enhanced creativity is definitely importantly. I'd definitely say skills shortage have contributed as well to some extent but the main reason is the organisation appreciates diversity* " -----*HR Manager*

Both managers were asked to rank enhanced creativity, skill shortages and economic factors

on a scale (5 = "Very Important" , 1= "Not Important" ) as to how they contributed to the organisations attitude to diversity. The figure below displays the land of importance attributed to each factor  as ranked by the managers of the company.

**FIGURE 4.1**

**Organisation Managers Attitude to Diversity**
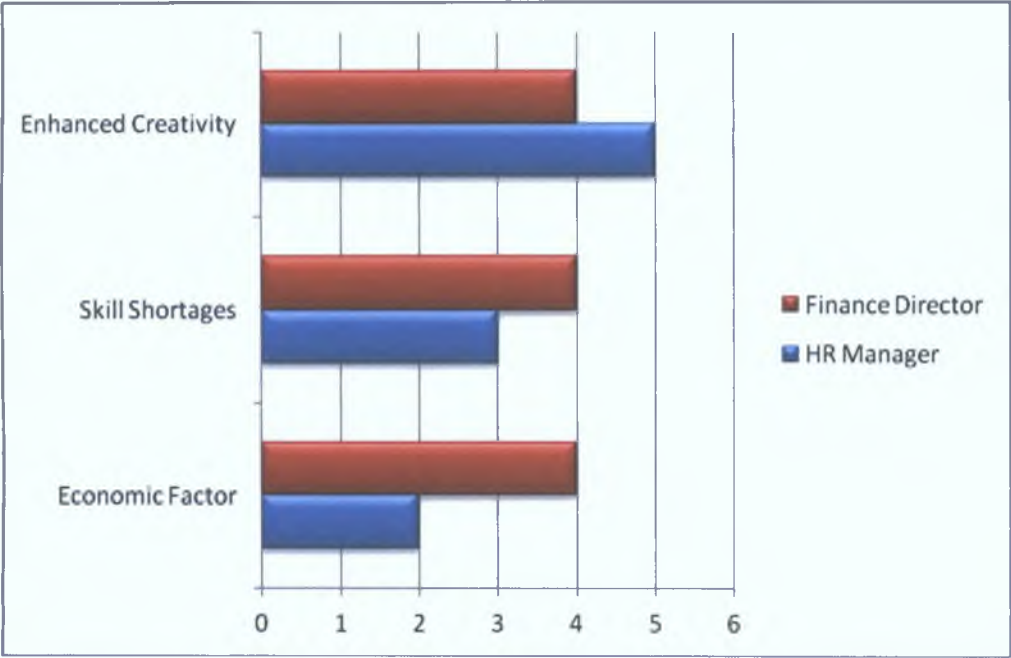


The above figure illustrates that the HR Manager perceives a diverse workforce as enhancing creativity and this is the main purpose and reason the organisation have invested in recruiting from wider pools of people; economic factors and skill shortages have played a less significant role in shaping the organisation's attitude, but the Finance Director  on the other hand reports that skill shortages and economic factors have played much a role as enhanced creativity and have resulted in their recruiting from wider groups and searching further a field for talented and skilled staff.

When asked to comment on the organisation's attitude to diversity within teams, both managers responded that positive steps have been taken to increase diversity among team members and equally to eliminate negative productivity which may arise from

communication difficulties, language skills or cultural differences However, they both believed that it was more important to control for negative productivity than to have diversity within workgroups Both managers believes and stated that the employees in the organisation are treated as a homogeneous group for whom equal opportunities are available and that achievement is a direct result of personal performance

## 4 3 2   Drivers of Diversity Management

Both managers were asked what were the key driving forces of diversity management in the organisation Both managers noted that they perceived diversity management as putting m place good organisational policies and practices which must be aligned to the mission and goals of the organisation, making good business sense and a commitment to equal opportunity

Both managers interviewed concluded that, the primary driver of diversity management within the organisation was that it was part of company values and equally driven by the organisations commitment to diversity

## 4 3.3   Policies

Both managers acknowledged that the organisation had a clear diversity policy and strategy

*"No employee should be discriminated against because of age, race, gender, religion, sexual orientation, marital or maternity status, political opinion or ethnic background"*

*---- HR Manager*

*"Our equal opportunities policies prohibit discrimination on grounds such as race, gender, religion, sexual orientation and disability This policy includes where practicable, the continued employment of those who may become disabled during their employment "*

*-----Finance Director*

When asked if the organisation reflect the needs of all employees, the following responses were received

*"The organisation has a diverse workforce, with employees coming from a multitude of backgrounds, including nationality, religion. Members from some of these communities have asked for special requirements such as setting up a prayer room for example. The organisation acknowledges that this would be ideal but once changes are made for some, others will approach us with more. It's just not practical to meet the needs of each and every employee; it would be far too disruptive to daily business. Therefore all employees are expected to adhere to the values and practices of the company and to focus on the goal and mission of the organisation"* ----- HR Manager.

*"The organisation respect the fact that people from different backgrounds have different needs and try to accommodate these where possible, for example, we have a number of staff who dress according to their cultural background by way of veils"* ----- Finance Director.

Regarding the policies implemented in the organisation, the management tries to accommodate the needs of the employees but the underlying principle gathered from the findings was that all employees are following the goals of the company and company values outweigh the need of individual employees.

**Employees Perceived Policies**

As part of the questionnaire distributed to the employees within the organisation under study, employees were asked to rate the organisation according to the policies they perceived the organisation had in place. As emerged from interviews with both the HR Manager and the Finance Director, employees rated the organisation similarly according to the policies in place within the organisation. Findings from the employee survey are displayed in Figure 4.2. As indicated in the figures displayed below, employees agreed that he organisation had policies in place in accordance with diversity and very few (7%) indicating that the company as not having any such policies. Noteworthy is the number of respondents who responded

"Neutral" (22%). This may indicate that they were unaware of the existence of such policies. This is similar to the findings of Talbot and Cullen (2004) who found that while 78% of the organisations they studied reported having a diversity statement many of the staff members were unaware of this.

**FIGURE 4.2**

**Awareness of Policies (Perceived Policies)**
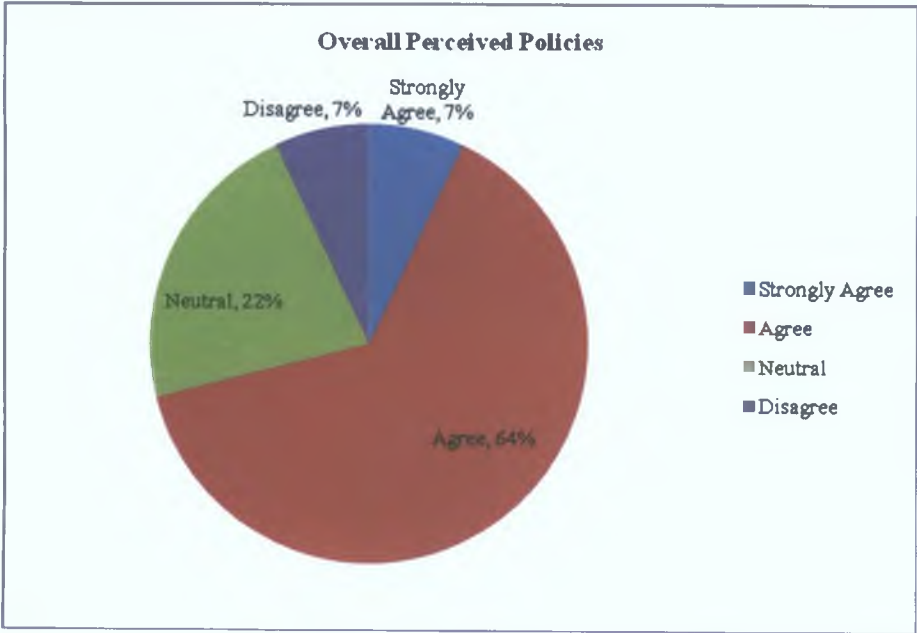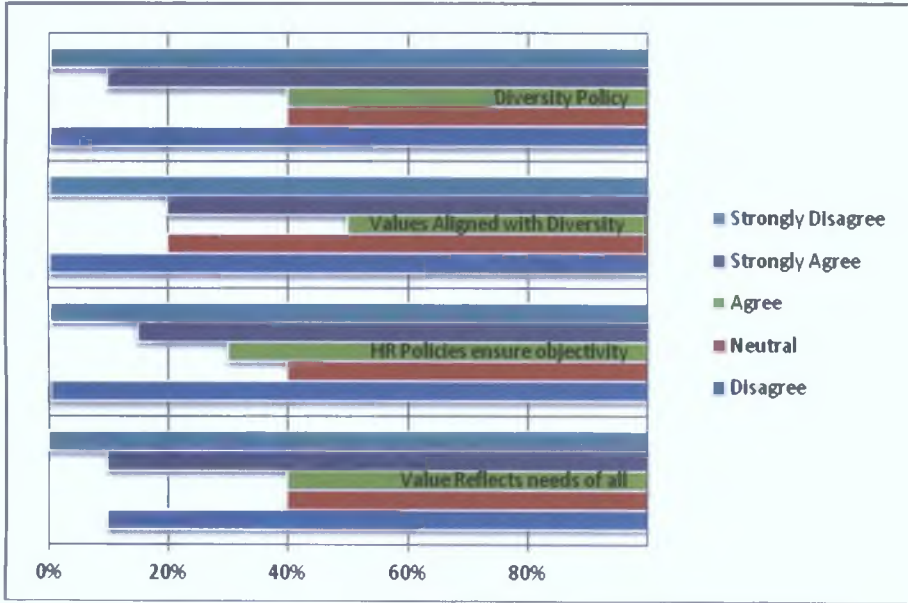
### 4.3 4 Recruitment and Selection

Both managers interviewed reported that they ensure objectivity in recruitment selection and that efforts are made to get internal vacancies noticed by all suitably qualified potential candidates The organisation encourage our people to reach their full potential through promotion from within when possible, both managers also claimed that the organisation strives to ensure objectivity in performance appraisal, recruitment and selection

*"The organisation policies ensures that all decisions about the appointment, treatment and promotion of employees are based entirely on merit" ---- Finance Director*

*"The organisation ensures that all employees with same experience, performance, and qualifications receive equal pay for equal work" ---- HR Manager*

The HR Manager added, each member of staff has a development plan where applicable and all staff receive performance reviews every 3 months in a calendar year

### Employee Perceived Recruitment and Selection

Responses from employees regarding recruitment and selection practices is displayed in Figure 4 3

## FIGURE 4.3

## Awareness of Recruitment & Selection Practices



**Overall Recruitment & Selection**

- Strongly Agree — 7%
- Strongly Disagree — 0%
- Disagree — 13%
- Neutral — 42%
- Agree — 38%

Legend:
- Strongly Agree
- Disagree
- Agree
- Neutral
- Strongly Disagree
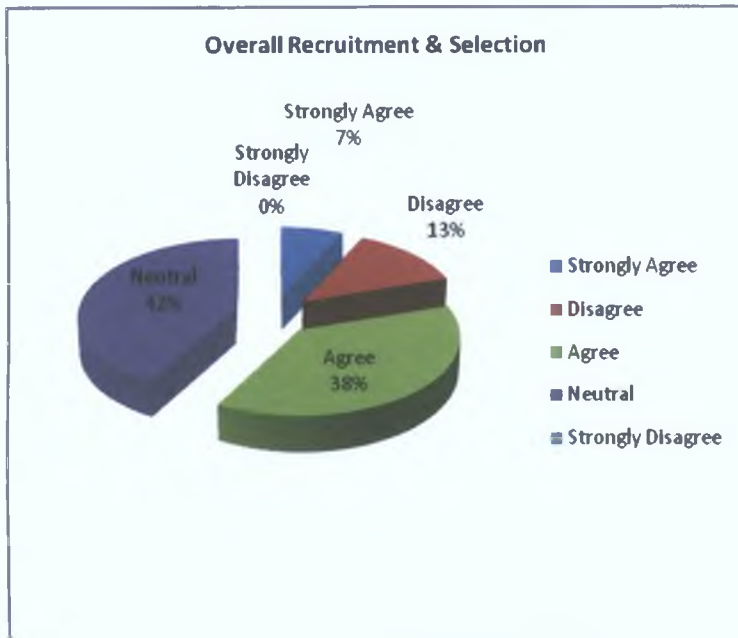
Respondents perceive the organisation to be objective in recruitment and selection and most respondents claim that those involved in the promotion process are aware of the organisation's commitment to fairness. Equally the respondents agreed to a development plan for each staff. The most significant difference with the regard to practices in recruitment and selection concerns the effort made by the organisation to get vacancies noticed by all suitably qualified potential candidates; though both managers claim the organisation make every effort to notify potential candidates of internal vacancies, the findings revealed that 13% of the respondents disagree while 42% remained neutral, which means suitable qualified employees might not be aware of any internal new position.

### 4.3.5 Training

The most significant and interesting finding emerged from the interviews conducted with the senior managers in Magnum Payment Solutions Both managers commented that the organisation offer induction training to all staff joining the organisation and the training is basically to inform new staff of their specific role within the organisation and the procedures involved in successfully carrying out this role

The induction training provided to staff in Magnum is usually done by the HR Manager and a team leader, external sources are not used In addition, clear standards of behaviours are outlined to staff and they are educated in the company policies, practices and most importantly in company's values and the company's code of ethics and conduct They are informed that within the organisation, they are expected to conform and adhere to the values, policies of the company and failure to do so may result in disciplinary actions Training incorporates information on prejudice and stereotyping and how to address these issues However, from the findings from both interviews conducted, the induction process at Magnum does not include any form of diversity training nor does it aim to build awareness of diversity issues or to build the skills of employees to improve interaction between members of culturally diverse workgroups

### Employee Perceived Training

Findings from the employee survey revealed 42% disagree that diversity training is provided and equally claimed that employees have been less informed on prejudice and stereotyping and how to deal with such issues and given that Magnum places a significant amount of energy in informing employees in the standards of behaviour and codes of conduct, this is not evident from the results of the employee survey Responses from employees regarding awareness of training is displayed in Figure 4 4

**FIGURE 4.4**

**Awareness of Training**
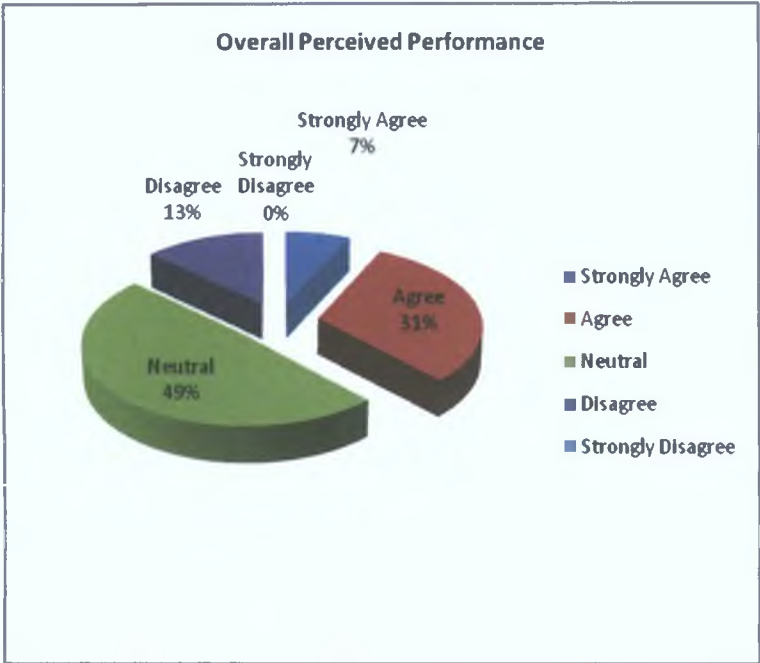


4.3.6  **Measuring of Diversity Initiatives**

Diversity management at Magnum is aligned to organisational strategy, but there are no key performance indicators to measure the effectiveness of all diversity initiatives implemented. Findings from the interviews with both Finance Director and the HR Manager in Magnum revealed that diversity is appreciated in the organisation because of the enhanced creativity it offers, but members of diverse backgrounds are expected to conform to the organisation's values. Diversity management at this organisation is driven by legislation and no training is offered to increase awareness of diversity or to build skills to improve interaction between culturally diverse group members. Findings from interviews with the two senior member of staff in the organisation is summarized in Table 4.1

## TABLE 4 1

## Summary of Interview Findings

| Attitude to Diversity in the Organisation | 1  It enhances Creativity<br><br>2  Somewhat necessary due to skills shortages<br><br>3  Economic factors don't really contribute |
|---|---|
| Attitude to Diversity in Internal Teams | 1 Ty to eliminate negative productivity due to diversity<br><br>2  Treat employees as a homogeneous group<br><br>3  Try to increase diversity in teams |
| Attitude to Diversity and Promotional Opportunities | 1 Try to encourage diversity at all levels<br><br>2  Management incentives do not include elements which assess ability to handle diversity issues |
| Drivers of Diversity Management | 1  Primarily Legislation |
| Policies | 1 Clear diversity policy<br><br>2 Don't reflect needs of all employees |
| Recruitment &Selection | 1 Ensure Objectivity<br><br>2 Each member of staff has a development plan<br><br>3 Efforts are made to make internal vacancies noticed by all suitably qualified candidates |
| Training | 1 Induction to inform of organisation values and expected behaviour<br><br>2 Covers prejudice and stereotyping<br><br>3 No diversity training<br><br>4 Induction done by internal member of staff, no external facilitator used |
| Measures | 1 No measures in place<br><br>2 Incentives are not aligned to diversity management |

**4.4 Overview of Survey Respondents According to Demographic Characteristics**

This section presents the relevant demographic information concerning respondents from Magnum in the current study. The main demographic variables that were accounted for by the survey include; gender, age, level of education, nationality, overall work experience and tenure within the organisation.

A review of the literature on cultural diversity and workgroup process indicates a significant relationship between these demographic variables and both group processes and outcomes. For example, Pelled et al. (2009) find that diversity in age among group members increase the amount of emotional conflict experienced within the group. Zenger and Lawrence (2008) find that similarity in age and tenure improved communication, while Kent and McGrath (1998) and Murnighan and Conlon (1998) found that gender heterogeneity reduced group performance and O'Reilly, Caldwell and Barnett (2009) found that age diversity contributed to satisfaction with the group and the intent to remain with a given workgroup. For this reason it is essential to provide the following examination of the demographic variables.

**4.4.1 Gender**
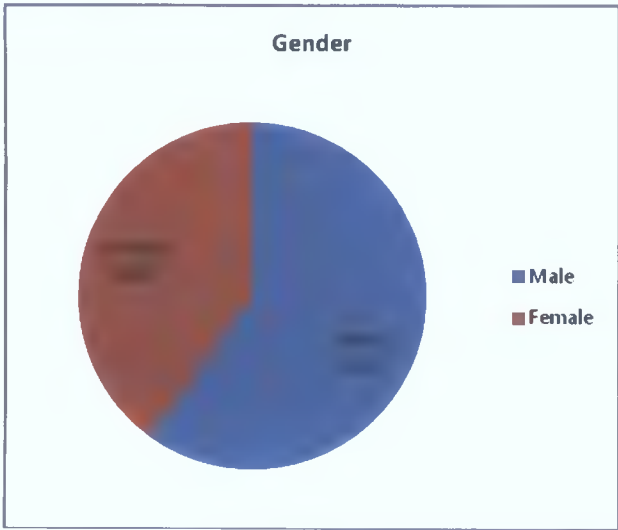


The figure above display the percentage of respondents according to gender, respondents are evenly split between male and female as the organisation has a balanced workforce, during

this research work more male responded than the female.

### 4.4.2  Age
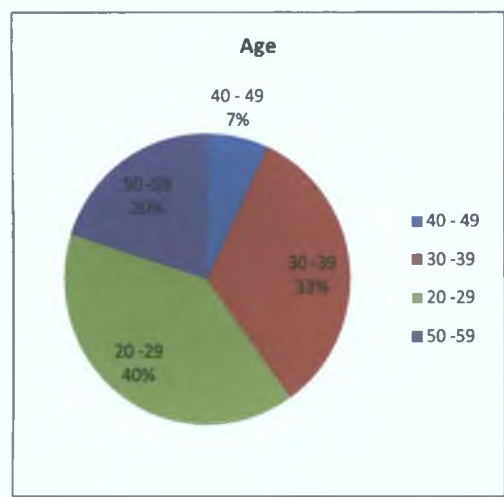


The figure above display the percentage of respondents from Magnum according to age
categories. Respondents can be seen to be made up of a relatively young population. 40% of
the respondents fall under the youngest age category of 20 -29, followed by 33% that
represents the age bracket of 30 -39 in the organisation.

### 4.4.3  Education
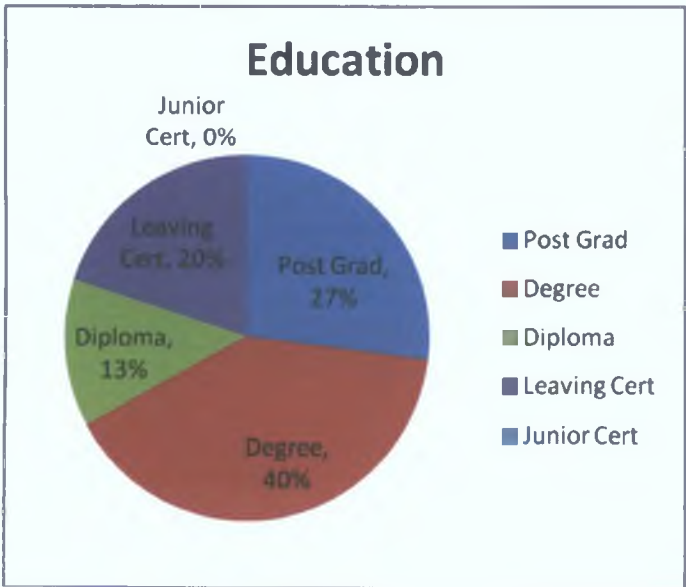


The data displayed in the chart above refer to the level of education achieved by respondents

of both firms. The majority of the respondents received some form of third level education.

### 4.4.4 Nationality
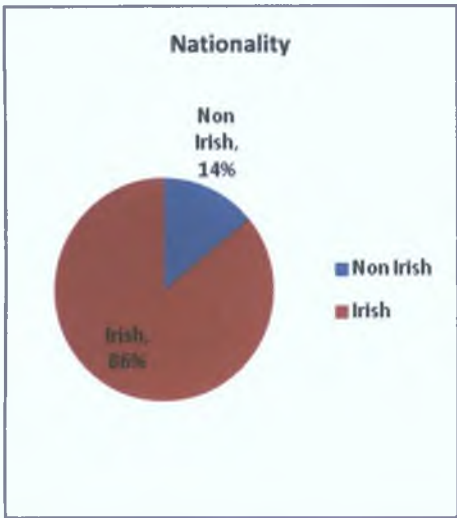


The figure above display the percentage of respondents in Magnum who were of a nationality other than irish, 14% were of a foreign nationality. Respondents included two American's, one person from Poland, one from Germany, two Nigerians, a South African, one Finland, One Lithuanian , One Ghanaian , one Canadian, One Hungarian, a Swede.

### 4.4.5 Overall Work Experience
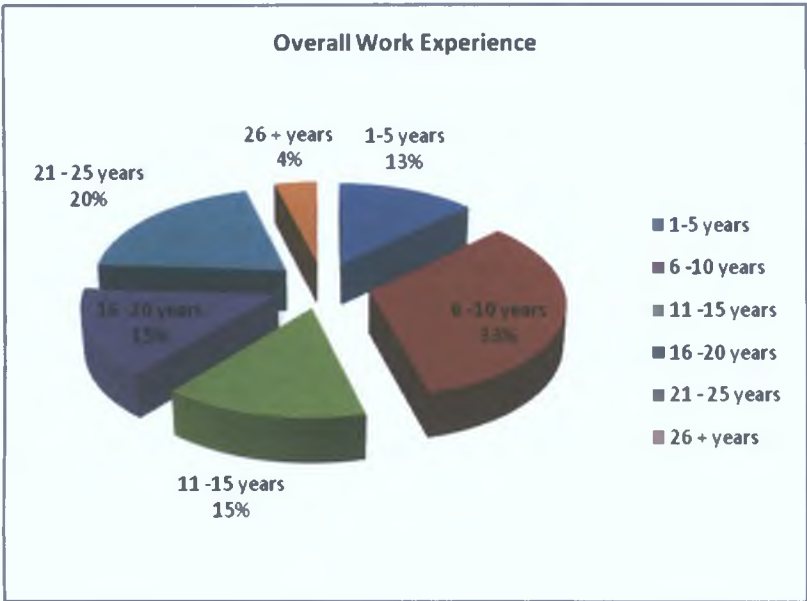


The respondents had an overall work experience of between six and ten years.

### 4.4.6 Tenure with the Organisation
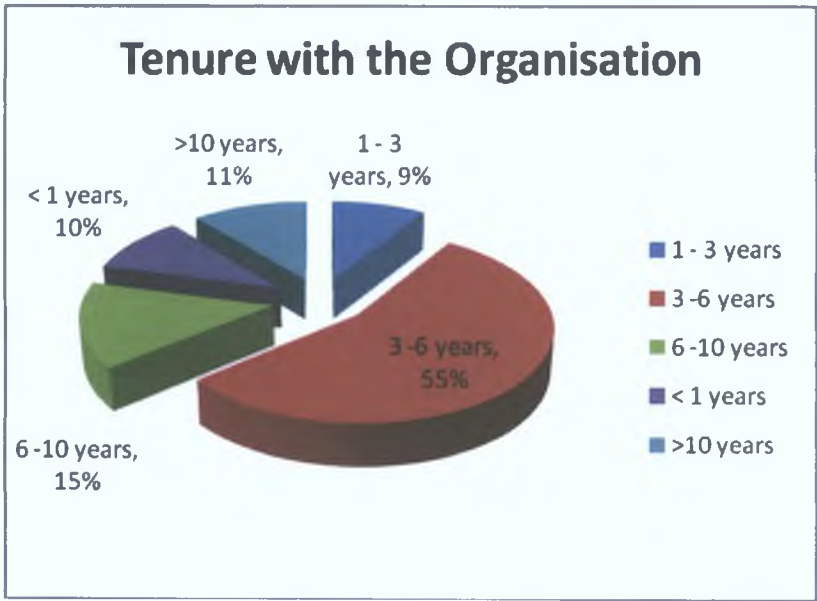


There is a significant difference in organisational tenure between respondents. Majority of the respondents have an organisational tenure of between 3 -6 years (55%) while only 9% of the respondents have been in the organisation within a year to three years.

## 4 5 Empirical Analysis

Table 4 2 summarises the descriptive statistic for the demographic variables In general respondents in Magnum Payment Solutions, Dundalk, spent marginally more years in education, their overall work experience is longer, as is, their tenure with the organisation and a higher percentage of males replied than female

## TABLE 4 2

### Descriptive Statistics of Independent Variables

|  | Mean | Median | Mode | Std Deviation | Minimum | Maximum |
|---|---|---|---|---|---|---|
| Gender | 1 40 | 1 00 | 1 | 495 | 1 | 2 |
| Age | 36.11 | 33 00 | 27 | 11 031 | 23 | 59 |
| Education Level | 3 73 | 4 00 | 4 | 1 074 | 2 | 5 |
| Education Years | 16 58 | 17 00 | 17 | 1 815 | 14 | 19 |
| WorkExperience | 3 20 | 3 00 | 2 | 1 740 | 1 | 6 |
| Organisational Tenure | 3 36 | 3 00 | 3 | 1 282 | 1 | 5 |

## 4 5 1 Calculation of Mediating Variables

Table 4 3 reports reliabilities, means, standard deviations and modes for the mediating variables from Magnum

**TABLE 4.3**

**Mediating Variables Scores**

|  | Alpha | Mean | SD | Mode |
|---|---|---|---|---|
| Communication | 0 8669 | 3 84 | 665 | 4 |
| Conflict | 0 8691 | 3 21 | 848 | 4 |
| Decision Making and Problem Solving | 0 6485 | 3 18 | 585 | 4 |

The mean scores based on the analysis of the findings suggest that the majority of respondents perceive that their workgroups communicate well  The communication scale ranged from 1 -5 and the mean was 3 84 with the most frequently reported answer 4  Conflict and decision making and problem solving scores are slightly lower, which suggest that there is less conflict among members of workgroup but the efficacy of decision making and problem solving in groups with the organisation is also lower  This is very interesting considering the HR Manager reported the provision of more detailed training to staff

**4 5 2  Mediating Variables Scores According to demographics**

After the mediating variable scores were calculated, the analysis continued by investigating if differences in the efficacy of group processes existed as a function of the demographic variables  The results can be seen in Table 4 4

# TABLE 4 4

## Mediating Variables Scores According to demographics

| | Communication | | Conflict | | Decision Making and Problem Solving | |
|---|---|---|---|---|---|---|
| Sex | Mean | SD | Mean | SD | Mean | SD |
| Female | 3 64 | 86 | 3 14 | 999 | **3 24** | 388 |
| Male | **3 98** | 466 | **3 25** | 747 | 3 14 | 691 |
| Age | | | | | | |
| 20 -29 | **4 14** | 435 | 3 24 | 823 | **3.37** | 658 |
| 20  39 | 3 94 | 266 | 3 11 | 973 | 3 23 | 229 |
| 40 -49 | 1 83 | 000 | 2 00 | 000 | 2 50 | 000 |
| 50 - 59 | 3 72 | 363 | **3 70** | 217 | 2 92 | 696 |
| Education | | | | | | |
| Leaving Cert | 3 94 | 363 | 3 59 | 265 | 2 97 | 734 |
| Diploma | 2 92 | 1 187 | 2 00 | 000 | 2 75 | 274 |
| Degree | 3 88 | 474 | 2 97 | 866 | 3 29 | 654 |
| Post Grad | **4 17** | 302 | **3 88** | 4 15 | **3.38** | 292 |
| Nationality | | | | | | |
| Irish | 3 79 | 656 | 3 14 | 836 | 3 14 | 577 |
| Non Irish | **4 50** | 441 | **4 17** | 000 | **3 75** | 433 |
| Work Experience | | | | | | |
| 1 -5 | **4 25** | 456 | 2 50 | 913 | **3 63** | 137 |
| 6 -10 | 4 16 | 324 | 3 87 | 442 | 3 50 | 366 |
| 11  15 | 3 94 | 300 | 2 83 | 682 | 2 81 | 635 |
| 16  20 | 3 50 | 000 | 2 17 | 000 | 3 25 | 000 |
| 21 -25 | 1 83 | 000 | 2 00 | 000 | 2 50 | 000 |
| 26+ | 3 72 | 363 | **3 70** | 217 | 2 92 | 696 |
| Organisational Tenure | | | | | | |
| 1-3 | | | | | | |
| 3-6 | **4 71** | 0 83 | **3 54** | 417 | **3 81** | 125 |
| 6-10 | 3 89 | 274 | 3 19 | 933 | 2 99 | 481 |
| >10 | 4 00 | 000 | 3 42 | 274 | 3 63 | 137 |
| | 3 25 | 909 | 3 28 | 792 | 2 81 | 623 |

From the above data, it can be seen that males in Magnum Payment Solutions perceive communication in their workgroups to be better than their female counterparts They also perceive there to be less conflict, however it is the female members that rate decision making and problem solving higher Equally younger respondents in the organisation perceive that decision making and problem solving to be better than their older colleagues However, the older members of staff perceive to be less conflict

Those who attained post graduate level of education perceive all three of the mediating variables to be better in their groups in comparison with those achieving lower levels of education

Respondents to the study of nationality other than irish at Magnum perceived their workgroup outcomes to be better than irish nationals, equally those of other nationals perceive decision making and problem solving to be better The analysis of the findings equally shows that those with less than five years overall work experience who rate communication in their groups highest and equally perceive decision making and problem solving to be better However, it is those with over twenty – six years experience who perceive there to be the least conflict

## 4.5 3  Calculation of Dependent Variables

Reliability analysis was carried out on the perceived performance scale which was found to be very high This justified combining the items into composite measure to obtain an overall score for perceived performance Two items were measured intent to remain The first reported in the table below asked respondents if they had their own way would they still be working in the same group three years from now The mean reflect that most respondents do not intend to remain working in the same group within the next three years The second item asked respondents how often they think about changing groups When 1=always 5= Never Findings based on the survey revealed that employees at Magnum are less satisfied with their groups and have a higher intention to leave

## TABLE 4 5

### Dependent Variable Scores

|  | Alpha | Mean | SD | Mode |
|---|---|---|---|---|
| Perceived Performance | 8642 | 3 46 | 722 | 4 |
| Intent to Remain 1 |  | 1 76 | 435 | 2 |
| Intent to Remain 2 |  | 3 02 | 917 | 3 |
| Satisfaction |  | 3 40 | 1 156 | 3 |

## 4 5 4  Dependent Variable Score According to Demographics

After the dependent variable scores were calculated, the analysis continued by investigating

of differences in group outcomes existed as a function of the demographic variables  The

result can be seen in Table 4 6  From the data displayed in Table 4 6, it can seen that female

perceive their teams as performing better and equally more satisfied  in their workgroups but

also intend to leave the organisation before the males, however, their intent to remain is only

very slightly less than the male in the organisation and the oldest employees, between 50 and

59 perceive their teams as performing best and the youngest are most satisfied with their

groups

TABLE 4 6

## Dependent Variable Scores According to Demographics

| | Perceived Performance | | Intent to Remain | | Satisfaction | |
|---|---|---|---|---|---|---|
| Sex | Mean | SD | Mean | SD | Mean | SD |
| Female | **3 56** | 745 | **2 00** | 000 | **3 50** | 1 295 |
| Male | 3 39 | 712 | 1 59 | 501 | 3 33 | 1 074 |
| Age | | | | | | |
| 20 29 | 3 50 | 707 | 1 58 | 507 | **3 68** | |
| 20 39 | 3 46 | 664 | 2 00 | 000 | 3 57 | |
| 40 -49 | 2 00 | 000 | 2 00 | 000 | 1 00 | 000 |
| 50 59 | **3 83** | 250 | 1 67 | 500 | 3 33 | 500 |
| Education | | | | | | |
| Leaving Cert | 3 78 | 264 | **2 00** | 000 | 3 67 | 500 |
| Diploma | 2 50 | 548 | **2 00** | 000 | 2 00 | 1 095 |
| Degree | 3 33 | 822 | 1 56 | 511 | 3 00 | 1 029 |
| Post Grad | **3 87** | 226 | 1 75 | 452 | **4 50** | 522 |
| Nationality | | | | | | |
| Irish | 3 43 | 737 | **1 79** | 415 | 3 31 | 1 137 |
| Non Irish | **3 83** | 289 | 1 33 | 577 | **4 67** | 577 |
| Work Experience | | | | | | |
| 1 -5 | **4 00** | 000 | **2 00** | 000 | 4 00 | 1 095 |
| 6 10 | 3 80 | 254 | 1 67 | 488 | **4 20** | 775 |
| 11-15 | 2 94 | 808 | 1 67 | 500 | 3 00 | 866 |
| 16 -20 | 2 50 | 000 | **2 00** | 000 | 2 00 | 000 |
| 21 -25 | 2 00 | 000 | **2 00** | 000 | 1 00 | 000 |
| 26+ | 3 83 | 2 50 | 1 67 | 500 | 3 33 | 500 |
| Organisational Tenure | | | | | | |
| <1 | **4 00** | 000 | 1 80 | 447 | 3 80 | 1 095 |
| 1 3 | **4 00** | 000 | 1 75 | 500 | **5 00** | 000 |
| 3-6 | 3 14 | 744 | 1 67 | 485 | 3 33 | 1 138 |
| 6-10 | 3 75 | 274 | **2 00** | 000 | 3 50 | 548 |
| >10 | 3 38 | 856 | 1 75 | 435 | 3 40 | 1 156 |

In the organisation, it is those with the highest level of education who perceive their teams as performing best and they are also the group of employees who are most satisfied working with their workgroup It is those who have achieved a level of education of leaving certificate or diploma who intend to leave quickest While employees those other than Irish nationals have better perceptions of their workgroups and are more satisfied and employees with less work experience and only a short organisational tenure who are most satisfied

## 4 6 Analysis of Hypotheses

This section details the findings associated with the research hypotheses

### Hypothesis 1· What are management's objectives of diversity management policies in Magnum Payment Solutions?

Based on the findings from the two senior managers interviewed, both managers noted that they perceived diversity management as putting in place good organisational policies and practices which must be aligned to the mission and goals of the organisation, making good business sense, so as to create greater productivity through enhanced creativity is said to be the main objective of implementing diversity management policies and practices within the organisation and a commitment to equal opportunity, equally, the main driving force of diversity management in the organisation is driven by enhanced creativity that brings a greater variety of perspectives and primarily driven by legislation

### Hypothesis 2 What is the level of employee awareness of diversity management in the Organisation?

As part of the questionnaire distributed to the employees within the organisation under study, employees were asked to rate the organisation according to the policies they perceived the

organisation had in place As emerged from interviews with both the HR Manager and the Finance Director, employees rated the organisation similarly according to the policies in place within the organisation Findings from the employee survey are displayed in Figure 4 2 As indicated in the figures displayed below, employees agreed that the organisation had policies in place in accordance with diversity and very few (7%) indicating that the company as not having any such policies Noteworthy is the number of respondents who responded "Neutral" (22%) This may indicate that they were unaware of the existence of such policies This is similar to the findings of Talbot and Cullen (2004) who found that while 78% of the organisations they studied reported having a diversity statement many of the staff members were unaware of this

**Hypothesis 3 What are the effects of diversity management policies and practices on cultural diverse workgroup Processes and its Outcome in Magnum?**

In order to test this hypothesis, cultural diversity was correlated with the three measures of group processes A result from correlation analysis is displayed in Table 4 7

Findings indicate that at Magnum Payment Solutions, age diversity is negatively correlated to group processes of communication, decision making and problem solving Indicating that, as group members became older, they reported better communication, decision making and problem solving among their group members

**TABLE 4 7**

**Relationship between Cultural Diversity and Workgroup Processes**

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| **Gender** | | | | | | | | | |
| Pearson Correlation | 1 | | | | | | | | |
| Sig (2 tailed) | | | | | | | | | |
| N | 45 | | | | | | | | |
| **Age** | | | | | | | | | |
| Pearson Correlation | 083 | 1 | ** | | ** | ** | ** | | * |
| Sig (2 tailed) | 587 | | | | | | | | |
| N | 45 | 45 | | | | | | | |
| **Education Years** | | | | | | | | | |
| Pearson Correlation | - 111 | 519** | 1 | | ** | ** | | | * |
| Sig (2 tailed) | 467 | 000 | | | | | | | |
| N | 45 | 45 | 45 | | | | | | |
| **Nationality** | | | | | | | | | |
| Pearson Correlation | 218 | 223 | 162 | 1 | | | | * | |
| Sig (2 tailed) | 150 | 140 | 287 | | | | | | |
| N | 45 | 45 | 45 | 45 | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Work Experience** | | | | | | | | | |
| Pearson Correlation | - 016 | 935** | - 635** | 186 | 1 | ** | ** | | ** |
| Sig (2 tailed) | 918 | 000 | 000 | 220 | | | | | |
| N | 45 | 45 | 45 | 45 | 45 | | | | |
| **Organisational Tenure** | | | | | | | | | |
| Pearson Correlation | 093 | 799** | - 403** | - 286 | 813** | 1 | ** | | ** |
| Sig (2 tailed) | 543 | 000 | 006 | 057 | 000 | | | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | | | |
| **Communication** | | | | | | | | | |
| Pearson Correlation | 251 | -.387** | 291 | 268 | - 509** | - 541** | 1 | ** | ** |
| Sig (2 tailed) | 097 | 009 | 052 | 075 | 000 | 000 | | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | | |
| **Conflict** | | | | | | | | | |
| Pearson Correlation | - 067 | 112 | 240 | 306* | 025 | 168 | 441** | 1 | |
| Sig (2 tailed) | 663 | 465 | 112 | 041 | 870 | 271 | 002 | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | |
| **Decision Making & Problem Solving** | | | | | | | | | |

| Pearson Correlation | 082 | -348* | 324* | 264 | 471** | -419** | 534** | 166 | 1 |
|---|---|---|---|---|---|---|---|---|---|
| Sig (2 tailed) | 591 | 019 | 030 | 079 | 001 | 004 | 000 | 275 | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |

** Correlation is significant at the 0 01 level (2 – tailed)    * Correlation is significant at the 0 05 level (2 – tailed)

Diversity in the number of years spent in formal education at Magnum Payment Solutions

was found to be positively correlated to decision making and problem solving while the issue

of nationality was found to be marginally positively correlated with overall group conflict

Findings of diversity in work experience and organisational tenure showed slightly more

significant negative correlation with reported communication, decision making and problem

solving Group processes at Magnum were significantly affected by cultural diversity, age

and work experience have the greatest impact on communication and work experience has

the greatest impact on decision making and problem solving In addition, employees

perceived diversity management was correlated with workgroup processes to further test the

hypothesis and to see if the perception of diversity management directly affected workgroup

processes The result is displayed in Table 4 8

# TABLE 4 8

## Relationship between Perceived Diversity Management and Workgroup Processes

|  | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| Employee Perceived Policies | | | | | | |
| Pearson Correlation | 1 | * | ** | | | |
| Sig (2 tailed) | | | | | | |
| N | 45 | | | | | |
| Employee Perceived Recruitment & Selection | | | | | | |
| Pearson Correlation | 322* | 1 | | | | |
| Sig (2 tailed) | | | | | | |
| N | 031 | | | | | |
| | 45 | 45 | | | | |
| Employee Perceived Training | | | | | | |
| Pearson Correlation | 463** | 285 | 1 | | * | |
| Sig (2 tailed) | | | | | | |
| N | 001 | 058 | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 45 | 45 | 45 | | | |
| **Communication** | | | | | | |
| Pearson Correlation | 091 | 172 | 073 | 1 | ** | ** |
| Sig (2 tailed) | 552 | 259 | 636 | | | |
| N | 45 | 45 | 45 | 45 | | |
| **Conflict** | | | | | | |
| Pearson Correlation | 274 | 81 | -306* | 441** | 1 | |
| Sig (2 tailed) | 069 | 597 | 041 | 002 | | |
| N | 45 | 45 | 45 | 45 | 45 | |
| **Decision Making & Problem Solving** | | | | | | |
| Pearson Correlation | 0 75 | 283 | 265 | 534** | 166 | 1 |
| Sig (2 tailed) | | | | | 275 | |
| | 625 | 059 | 079 | 000 | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 |

* Correlation is significant at the 0 05 level (2 – tailed)    ** Correlation is significant at the 0 01 level (2 – tailed)

The fourth hypothesis presented in the study concerned the effects of diversity management on relationship between cultural diverse workgroup outcomes The hypothesis was as follows

**Hypothesis 4  What are the effects of diversity management on Organisational performance in Magnum  Payment Solutions?**

Findings based on the correlation analysis of this hypothesis revealed that perceived performance is not associated with any of the cultural diversity variables  (i e  gender, age, education, nationality, work experience or organisational tenure), but in Magnum Payment Solutions the findings indicates that age diversity and diversity in work experience are important factors in predicting perceived group performance  Result from correlation analysis is displayed in Table 4 9

TABLE 4 9
**Relationship between Cultural Diversity and Workgroup Outcomes**

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| Gender | | | | | | | | | |
| Pearson Correlation | 1 | | | | | | | | ** |
| Sig (2 tailed) | | | | | | | | | |
| N | 45 | | | | | | | | |
| Age | | | | | | | | | |
| Pearson Correlation | 083 | 1 | ** | | ** | ** | | | |
| Sig (2 tailed) | 587 | | | | | | | | |
| N | 45 | 45 | | | | | | | |
| Education Years | | | | | | | | | |
| Pearson Correlation | - 111 | - 519** | 1 | | ** | ** | | * | |
| Sig (2 tailed) | 467 | 000 | | | | | | | |
| N | 45 | 45 | 45 | | | | | | |
| Nationality | | | | | | | | | |
| Pearson Correlation | 218 | - 223 | 162 | 1 | | | | * | ** |
| Sig (2 tailed) | 150 | 140 | 287 | | | | | | |
| N | 45 | 45 | 45 | 45 | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Work Experience** | | | | | | | | | |
| Pearson Correlation | 016 | 935** | - 635** | 186 | 1 | ** | | ** | |
| Sig (2 tailed) | 918 | 000 | 000 | 220 | | | | | |
| N | 45 | 45 | 45 | 45 | 45 | | | | |
| **Organisational Tenure** | | | | | | | | | |
| Pearson Correlation | 093 | 799** | - 403** | 286 | 813** | 1 | | ** | |
| Sig (2 tailed) | 543 | 000 | 006 | 057 | 000 | | | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | | | |
| **Perceived Performance** | | | | | | | | | |
| Pearson Correlation | 114 | 006 | 220 | 141 | - 237 | 191 | 1 | ** | |
| Sig (2 tailed) | 454 | 967 | 147 | 354 | 117 | 208 | | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | | |
| **Satisfaction** | | | | | | | | | |
| Pearson Correlation | 071 | 233 | 364* | 296* | 447** | -390** | 785** | 1 | * |
| Sig (2 tailed) | 641 | 123 | 014 | 048 | 002 | 008 | 000 | | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | |

| Intent to Remain | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Pearson Correlation | -570** | -144 | -008 | 387** | 088 | 278 | 156 | 377* | 1 |
| Sig (2 tailed) | 000 | 345 | 959 | 009 | 564 | 065 | 306 | 011 | |
| N | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |

** Correlation is significant at the 0 01 level (2 – tailed)    * Correlation is significant at the 0 05 level (2 – tailed)

Equally, correlation analysis also revealed that intent to remain at the organisation is associated with gender diversity and nationality, gender diversity was found to be statistically significant, the findings revealed that females are less satisfied with their workgroups than males and more likely to leave their groups in the next three years Findings from the correlation analysis as regards perceived relationships between diversity management and group outcome is displayed in Table 4 10

TABLE 4.10

**Relationship between Perceived Diversity Management and Workgroup Outcomes**

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| **Employee Perceived Policies** | | | | | | |
| Pearson Correlation | 1 | * | ** | | | |
| Sig (2 tailed) | | | | | | |
| N | 45 | | | | | |
| **Employee Perceived Recruitment & Selection** | | | | | | |
| Pearson Correlation | 322* | 1 | | ** | * | |
| Sig (2 tailed) | | | | | | |
| N | 031 | | | | | |
| | 45 | 45 | | | | |
| **Employee Perceived Training** | | | | | | |
| Pearson Correlation | 463** | 285 | 1 | | | |
| Sig (2 tailed) | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| N | -001 | 058 | | | | |
| | 45 | 45 | 45 | | | |
| **Perceived Performance** | | | | | | |
| Pearson Correlation | 172 | - 554** | 065 | 1 | ** | |
| Sig (2 tailed) | 258 | 000 | 673 | | | |
| N | 45 | 45 | 45 | 45 | | |
| **Satisfaction** | | | | | | |
| Pearson Correlation | 027 | 330* | 028 | 785** | 1 | * |
| Sig (2 tailed) | 860 | 027 | 854 | 000 | | |
| N | 45 | 45 | 45 | 45 | 45 | |
| **Intent to Remain** | | | | | | |
| Pearson Correlation | - 365* | - 167 | - 040 | 156 | 377* | 1 |
| Sig (2 tailed) | 014 | 272 | 795 | 306 | 011 | |
| N | 45 | 45 | 45 | 45 | 45 | 45 |

** Correlation is significant at the 0 01 level (2 – tailed)    * Correlation is significant at the 0 05 level (2 – tailed)

Result of this analysis did not indicate that perceived level of diversity management directly

affects group outcomes, but that diversity management positively moderates the relationship

between cultural diversity and workgroup outcomes However, there was no support for the theory that perceived diversity management directly affects group outcomes

## 4 7 Summary

Findings from the interviews conducted with both the Finance director and the HR manager in Magnum Payment Solutions revealed that the company has a lower level of diversity management, the diversity management policies and practices in the organisation is driven mainly by legislation and the main objective of the management initiating a diversity programme is to enhance creativity and to generate a greater productivity The analysis equally revealed significant associations between cultural diversity and communication, conflict, decision making and problem solving which supported the hypothesis on the effects of diversity management on workgroup processes, equally the result of the findings based on the effects of diversity management on workgroup outcomes revealed a strong association between cultural diversity and group outcomes

Overall, the results from this study validate the conceptual model of the effects of diversity management (Appendix 1)subsequent to reviewing the relevant literature on the topic However, other causes of variation in cultural diversity effect on group processes and outcomes would need further examination

# CHAPTER FIVE

## SUMMARY AND CONCLUSION

### 5 1    Introduction

This chapter examines the findings and summary of data analysis based on the research

topic, issues from both the theoretical and practical implications of the findings are

considered Equally, the limitations experienced are addressed and suggestions for future

research in this area of study are offered

### 5 2    Restatement of Problem

The main aim of this course of study was to examine the effects of cultural diversity on

workgroup processes and performance within the context of an organisation's diversity

management Diversity management was defined as the policies, recruitment and selection

practices and training provided by an organisation with the hope and expectation of

maximising the potentials of all their employees

The primary objective was to broaden knowledge regarding how organisation's can

overcome the negative effects of diversity while maximising the positive effects To be able

to achieve this objective, a conceptual model was used Furthermore, the study examined

awareness of diversity management among employees and whether their perception of

diversity management affected their group processes and outcomes

### 5 3    Summary of Procedures

The population for the current study consisted of a communication industry that is into

financial services of which comprised of a relatively diverse group of employees in terms of

gender, education, age, experience and length of service with the organisation

Questionnaires were distributed and completed by a broad sample employees across different

departments and at all levels of hierarchy, 59 completed questionnaires were received
Cronbach's alpha was used to test reliability of the scales and correlation analysis was used to
investigate the effect of cultural diversity on workgroup processes and outcomes
Interviews were conducted with the Finance Director and the HR manager and a diversity
management model was developed to assess the level of diversity management within the
organisation

## 5 4  Summary of Findings and Conclusions

This research study has provided information concerning diversity management in Magnum
Payment Solutions, Dundalk, which was driven primarily by company's values and
organisation's commitment to diversity, with a high level of diversity management
particularly in the area of recruitment and training  The second hypothesis tested the level of
employee awareness of diversity management policies in the organisation, employees rated
the organisation similarly according to the policies in place within the organisation  Findings
from the employee survey indicated that employees agreed that the organisation had
policies in place in accordance with diversity and very few (7%) indicating that the company
as not having any such policies  Noteworthy is the number of respondents who responded
"Neutral" (22%)  This may indicate that they were unaware of the existence of such policies

## 5 4 1  Cultural Diversity and Workgroup Processes

The third hypothesis offered concerned cultural diversity's impact on workgroup processes
This hypothesis suggested that diversity management would moderate the relationship
between cultural diversity and group processes of communication, conflict, decision making
and problem solving  The high correlation between diversity and processes at Magnum
Payment Solutions would suggest that high levels of diversity management moderate this
relationship  Therefore hypothesis 3 was supported

## 5 4 2 Cultural Diversity and Workgroup Performance

Hypothesis four was concerned with cultural diversity and group performance, which has an effect on the overall performance of the organisation This hypothesis suggested that diversity management would moderate the relationship between diversity and group outcomes of perceived group performance, satisfaction with the group and the intent to remain in the group The findings at Magnum would suggest that higher levels of diversity management moderate the relationship between cultural diversity and workgroup outcomes and hypothesis 4 is supported

## 5 4 3 Other Findings

To be able to determine whether perceived levels of diversity management were directly related to group processes, correlation analysis was conducted based on findings from the results that consists of different departments within the organisation, the findings demonstrated that at the dept with the higher level of diversity management, perceived levels of diversity management were correlated to group processes of communication, decision making and problem solving, but not to conflict Perceived levels of diversity management were also correlated against group outcomes The results suggest that employee awareness of diversity initiatives does not directly affect perceived performance, satisfaction or intent to remain with the group In addition, findings confirmed those of Talbot and Cullen (2004) who reported that 70% of the employees in a study of different nine organisations were unaware that their company had a diversity policy However, this does not suggest that awareness and perception of diversity management is not related to group processes

## 5 4.4 Implications

Although there has being well observed research on the effects of diversity management in organisations More research work is needed in this field due to globalisation of trades As a result,, this research study has implications for researchers of cultural diversity, group

processes, diversity management and also for the managers of organisations Pitts (2006) diversity management scale and model was used for assessing the validity of diversity management policies and practices in Magnum Payment Solutions This could be a useful tool for managers to use in order to assess the awareness and perception of policies, recruitment and selection practices and training among employees in their organisations The research study reaffirms the fact that diversity can have a negative impact on workgroup processes and outcomes As a result of this, managers must take an active role when diversity is introduced to the organisation and the human resources manager's job is not over once diversity is achieved, that is without proper management, diversity may result in a negative manner on group processes These processes could in turn prove costly to the firm in terms of higher rates of absenteeism and turnover, reduced productivity and lost sales It can be concluded that without proper management, diversity does not become a source of competitive advantage as was suggested by Cox and Blake (2001) Therefore, managers should promote programs that are designed to manage diversity These programmes should include, but are not limited to diversity training, mentoring programs and formal policies regarding diversity It should be noted that implementation of these programs may be time consuming as well as costly Therefore, managers must balance these limitations with the more positive outcomes

## 5 4 5  Limitations

This section offers possible limitations to the current study The results of the study should be interpreted with these limitations in mind In particular, the limitations are related to the sample and response rate, and measurement and design issues

## 5.5 1  Sample and Response Rate

Four limitations are apparent regarding the sample and response rate for the current study Firstly, research access was denied to the researcher by a number of firms based on their

refusal to take part in what they considered to be a "sensitive research" This could be attributed to concerns about lawsuits and charges with regard to discrimination and harassment

Secondly, Magnum Payments Solution requested that true name to be withheld for reasons of Confidentiality and anonymity, it is not inconceivable that some respondents may have altered their responses out of concern that managers would see their responses Equally, the researcher being a member of management within the organisation, was faced with staff never wanted to participate in a focus group interview , this method would have given additional information about how the employees perceive the level of diversity management in the organisation

## 5 5 2  Measurement and Design Issues

Firstly, the organisation studied was limited to a multinational communication company As a result, findings cannot be generalised across all industries Future research study should examine the effects of diversity management in other industries

Secondly, a more serious limitation exists with regards to the decision making and problem solving scale used In this study both were combined to form one scale and this scale received a low co-efficient alpha (45%), as a result findings and analysis concerning decision making and problem solving for Magnum should be interpreted with some caution Furthermore, only one number of analysis was performed, namely correlation analysis, other tests may be better able to determine the moderating effect of diversity management on group processes and outcomes and identify the lack of correlation between cultural diversity and group processes and outcomes

## 5 6    Recommendations for Future Research

This research study suggests a number of areas for future research This particular study was conducted in only one organisation which is a multinational communication firm Research is

needed in more companies and should be conducted in other industries  Theory suggests that service firms should benefit more from cultural diversity and from diversity related programs, however, research conducted in other industries such as manufacturing or agriculture could verify this

Particularly, more research is needed to examine the potential moderators of diversity workgroup processes and outcome relationship  There are many other interesting positions in terms of the practices managers can employ to overcome the negative effects of diversity while maximising the positive  For example, future research should consider the effect of human resource systems or the different types of diversity programs on the diversity- group process performance relationship, while organisational culture could also be  considered a moderating factor

Research that examines the best type of culture for highly diverse companies could help both managers and researchers alike determine how best to reap the benefits diversity has to offer workgroups

## 5 7  Conclusions

The importance and benefits of research in the area of cultural diversity and diversity management has been argued and demonstrated throughout this study  The current study offers a number of contributions to the diversity management literature  In particular, support is found for diversity management and findings indicate that, if left alone, diversity can have a negative impact on workgroups  However, if properly managed, the negative effects can be minimised and the positive effects capitalised  This study has opened the door for research in the area of diversity management, this study provides evidence that through implementing high levels of diversity management, the negative effects of diversity can be overcome and reversed and positive outcomes can be achieved

Interest in this area should continue as it has practical and theoretical implications for practitioners as well as managers and academics in general

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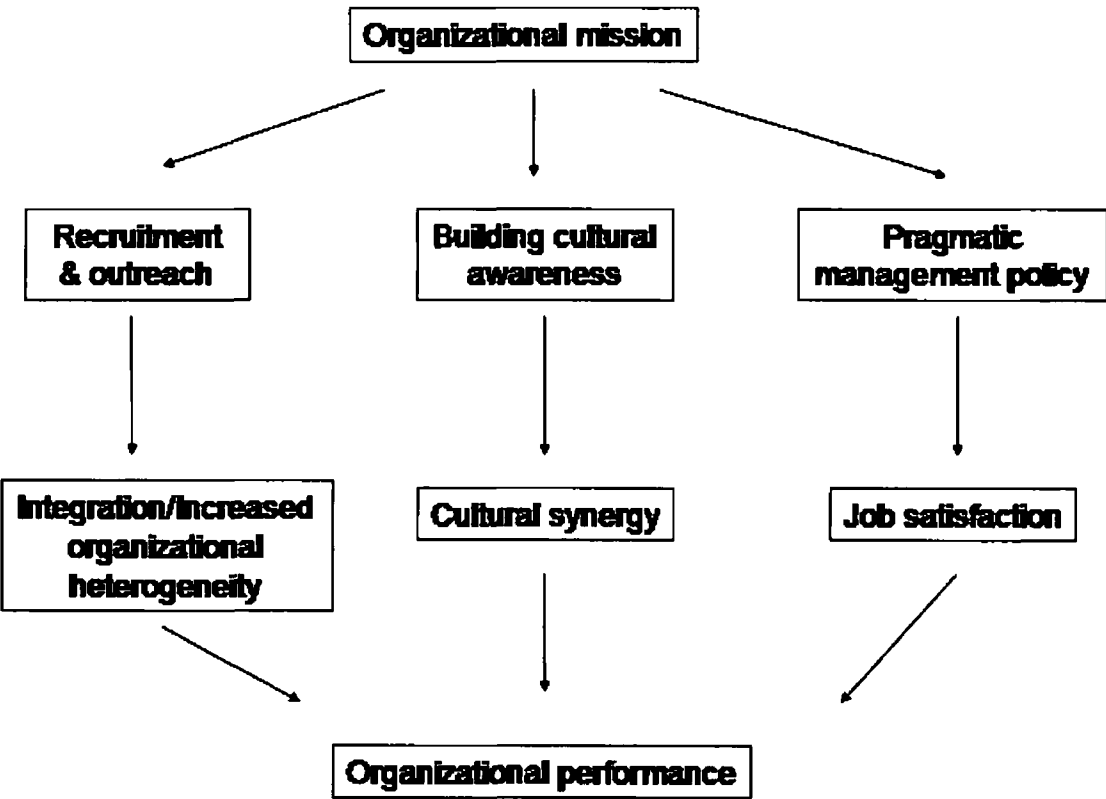
## LIST OF APPENDICES

**Appendix 1:** Comprehensive Model of Diversity Management

**Appendix 2:** Copy of Management Interview questions

**Appendix 3:** Copy of Staff Questionnaire

FIGURE 1 1 COMPREHENSIVE MODEL OF DIVERSITY MANAGEMENT



Culled from Modelling the Impact of Diversity Management

By (David W Pitts, 2006)

## Appendix 2

### Management Interview Questions

### Interview Guide

## A: Introductory Questions

1. Could you tell me a little about yourself and how you came to work from this organisation?
2. What is your nationality?
3. What was your nationality at birth (if different)?
4. What is your overall work experience (in years)?
5. How long have you worked for the organisation?
6. How long have you worked in this position for?

### B: Organisations Attitude to Diversity

Diversity is all the ways in which people differ: e.g. age, gender, race, nationality, education, work experience, organisational tenure.

7. Could you please tell me what you understand to be the organisations attitude towards a diverse workforce and rate the following in terms of importance to your organisation

   Not Important   1   2   3   4   5   Very Important

8. Organisations attitude to diversity
   a. Our organisation needs a diverse workforce to enhance creativity ☐
   b. Skills shortages have resulted in our recruitment of people from wider groups ☐
   c. Economic factors cause us to search further a field for skilled employees ☐

9. Organisations attitude to diversity in internal teams
   a. Our organisation takes positive steps to increase diversity in teams ☐
   b. Our organisation tries to eliminate negative productivity which may arise from ☐communication difficulties, language skills or cultural differences ☐

    c  We treat our employees as a homogeneous group for whom equal opportunities are Available and achievement is a direct result of personal performance ▭

10 Organisations attitude to promotion opportunities
    a  Our organisation takes positive action to ensure cultural diversity at all levels of the hierarchical structure ▭
    b  Our organisation ensures that there are positive programs to encourage diversity where promotional opportunities arise ▭

## C. Drivers of Diversity Management

11 Could you please tell me about the primary drivers of diversity management and the importance to this organisation?

## D Diversity Initiatives

12 Are the mission and values of the organisation aligned with diversity that reflects employee's needs?

### Recruitment and Selection
13 What are the steps taken to ensure diversity is achieved at all levels in the organisation?

## Training

14 Is diversity training part of the induction process in the organisation or done separately?

15 Are managers trained in the operation of the HR processes on how to address prejudice and stereotyping?

## E· Measurement of Diversity Initiatives

16 Is diversity management aligned to organisational strategy?
17 Is diversity management is aligned to managerial incentives?

## Appendix 3

### Staff Questionnaire /Employee Survey

### EMPLOYEE SURVEY

This questionnaire concerns your reactions to a variety of issues and topics at work. Please read all questions carefully and respond from your viewpoint and experience. All information is strictly confidential and only the researcher will have access to your individual responses, individual information and the anonymity of your responses will be protected at all times. Please completed questionnaire to be returned on or before 18th July, 2012.

Thank You.

### SECTION A: Biographical Details

Question 1

What is your Gender?

Male   ☐                          Female  ☐

Question 2

What Age Category do you fall under?

16 – 19 ☐

20 – 29    ☐

30 – 39    ☐

40 -49     ☐

50 – 59 ☐

Question 3

Which staff group do you belong to?

Mgt/Admin   ☐             IT☐      Support Staff ☐

Quality Assurance ☐          Team Lead ☐          Call Centre Staff ☐

Question 4

What is your highest level of education achieved to date ( or equivalent)

Diploma ☐          Postgraduate ☐  Leaving Cert ☐

Degree ☐

Question 5

What is your nationality? -----------------------------------------------------

Question 6

What was your nationality at birth (If different)? ----------------------------

Question 7

How long have you being working in this organisation?

< 1      ☐      1 -3 ☐          3 -6 ☐          6 - 10 ☐      > 10 ☐

Question 8

What is your overall work experience?

1 – 5 ☐  6 -10 ☐  11 -15 ☐  16 -20 ☐  21- 25 ☐  26+ ☐

## Section B: Awareness of Diversity Initiatives

Diversity is all ways in which people differ e.g. race, age, gender, nationality, education, organisational tenure.

Please assess the organisation in relation to each of the following points by circling one number only.

Strongly Disagree 1 2 3 4 5 Strongly Agree


## Policies

Question 8

This organisation has a clear diversity policy and strategy

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**

Question 9

This organisation has strong positive mission and values aligned with diversity

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**


Question 10

HR processes ensure objectivity in performance appraisal

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**


Question 11

This organisation's values reflect the needs of all employees

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**


## Recruitment and Selection

Question 12

HR processes ensure objectivity in recruitment selection

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**

Question 13

Each member of staff has a development plan and everyone involved in the promotion process is aware of the organisation's commitment to fairness

**Strongly Disagree** 1 2 3 4 5 **Strongly Agree**

## Question 14

Efforts are made to get vacancies noticed by all suitably qualified potential candidates

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Training

## Question 15

A detailed induction process is provided

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Question 16

The induction process includes diversity training

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Question 17

Clear standards of behaviour have been outlined and communicated to all employees

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Question 18

Managers are trained in the operation of the HR processes

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Question 19

Training incorporates information on prejudice and stereotyping and how to address them

**Strongly Disagree**   1      2      3      4      5    **Strongly Agree**

## Section C   Workgroup Processes

## Question 20

Which of the following best describes your work situation?

I work individually ☐   I work closely with a few people ☐

I work in teams ☐   I work both alone and in teams ☐

 I work with a variety of different people ☐


**Task Routineness**

Question 21

The technology, required skills, and information needed by the team are constantly changing

**Strongly Disagree**   1   2   3   4   5   **Strongly Agree**


Question 22

Frequent interaction between team members is needed to do our work effectively

**Strongly Disagree**   1   2   3   4   5   **Strongly Agree**


**Communication**

Question 23

Everyone has a chance to express their opinion and we listen to each individual's input

**Strongly Disagree**   1   2   3   4   5   **Strongly Agree**


Question 24

Even though we don't have total agreement, we do reach a kind of consensus that we all accept

**Strongly Disagree**   1   2   3   4   5   **Strongly Agree**


**Conflict**

Question 25

There is tension among members in my work unit

Strongly Disagree    1    2    3    4    5    **Strongly Agree**

Question 26

Members of my work unit frequently disagree about opinion regarding the work being done

**Strongly Disagree**    1    2    3    4    5    **Strongly**

Question 27

There are differences of opinion among the members of my work unit

**Strongly Disagree**    1    2    3    4    5    **Strongly Agree**

Question 28

There is conflict about delegation of tasks within my work unit

**Strongly Disagree**    1    2    3    4    5    **Strongly Agree**

**Decision Making and Problem Solving**

Question 29

We make decisions quickly

**Strongly Disagree**    1    2    3    4    5    **Strongly Agree**

Question 30

Diversity of backgrounds aids problem solving

**Strongly Disagree**    1    2    3    4    5    **Strongly Agree**

**Section D  Outcomes**

**Perceived Performance**

Question 31

How effective is your work unit?

**Very Poor**    1      2      3      4      5      **Excellent**

**Satisfaction**

Question 32

How satisfied are you working in this work unit?

**Very Dissatisfied**    1      2      3      4      5      **Very Satisfied**

**Intent to Remain**

Question 33

How long do you intend to remain working in this work unit?

**Always**    1      2      3      4      5      **Never**


Question 34

To what extent have you thought seriously about changing work units since beginning to work in your current work group?

**Always**    1      2      3      4      5      **Never**