

Chapter 2

Different Approaches to Managing a Diverse Workforce

2.1 Legally Imposed Organizational Policies: Equal Employment Opportunities (EEO) and Affirmative Action (AA)

As it has already been underlined in the previous chapter, a demographically diverse workforce is an uncontested reality that is associated with a number of challenges and opportunities for contemporary organizations, which develop relevant strategies and interventions attempting to address this issue. At this point it is interesting to briefly examine how workplace diversity has been dealt with historically, as well as to identify the different approaches towards the management of a heterogeneous workforce.

Since workplace diversity mirrors demographic differences at the societal level, it is not surprising that USA was a pioneer regarding the issues associated with workforce heterogeneity. To be more specific, US adopted an anti-discrimination regulation as early as in 1964 in Title VII of the Civil Rights Act. Title VII is the main anti-discrimination law in the US (Kossek and Pichler 2006), making workplace prejudice and discrimination on the basis of sex, age, race, color, religion and national origin illegal. In order to comply with the legal mandates of Title VII, organizations in the US had to adopt Equal Employment Opportunities (EEO) policies, in order to ensure the fair and equal treatment of all employees, irrespective of their racial, ethnical, religious etc. background. Thus, it can be argued that, according to the Podsiadlowski and colleagues (2013) framework of five perspectives organizations can adopt towards diversity, described in the previous chapter, EEO falls into the category of the ‘Color-Blind’ approach.

Another legally imposed perspective to the management of a diverse workforce (initiated in the US as well) is Affirmative Action (AA), known also as Positive Discrimination, a term more commonly used in the UK. According to Affirmative Action policies, the employment force of an organization should mirror the relevant labor market. Thus, AA is concerned with the creation of a more inclusive workplace, and its objectives are more specific in comparison to EEO policies: AA initiatives aim at increasing the numerical representation at the workplace of

historically underrepresented groups, such as women and racial/ethnic minorities. Thus, AA policies fall into the ‘Fairness’ perspective of the Podsiadlowski and colleagues (2013) framework.

It is important to note at this point that, as it has already been underlined, US has led the way in regard to workplace anti-discrimination legislation. As remarked by Kossek and Pichler (2006: 254), “...many other nations and NGOs have adopted regulations and practices that are similar to US EEO concepts”. Interestingly, European Union got more actively involved in mandating the antidiscrimination policy of the member states in 1997 with the Treaty of Amsterdam (European Commission, Implementation Checklist for Diversity Management).

It is an undeniable fact that EEO and AA organizational practices are mandatory, since they are legally enforced and organizations have to develop and implement such initiatives in order to comply with legal mandates (Kossek and Pichler 2006; Thomas 1990; Wrench 2007). Such policies are part of a punitive system aiming at preventing discrimination and promoting equality of treatment for all employees within a work environment (Johns et al. 2012; Maxwell et al. 2001). As a result, they are mainly reactive in nature (Wrench 2003) since the focus is placed on providing remedy for past injustice and malpractices for certain groups/categories of the population. In this respect, diversity is viewed as matter of justice (Noon 2007), and the underlying rationale of the respective organizational policies is mainly grounded on moral arguments (Thomas 1990; Wrench 2007). As underlined by Billing and Sundin (2006), EEO and AA initiatives are in accordance with a justice-based view and they are founded on moral imperatives, since their objective is to remove all barriers to fair employment practices, in conformity to the values of a democratic state. In line with this later remark, Litvin (2006) notes that civil rights have oriented the discourses of both EEO and AA.

Moreover, in the respective literature it is often remarked in regard to EEO and AA policies that the focus is placed on group differences, not on individual characteristics (Liff 1997; Thomas 1990; Wrench 2007). Consequently, it can be inferred that EEO and AA are more collectivist in nature in comparison to *Diversity Management*, which is a more individualistic approach to workplace diversity (Carnevale and Stone 1994; Johns et al. 2012; Jonsen et al. 2013; Wrench 2007), and which will be exemplified in detail later in this chapter. Depending on the viewpoint, this can be considered either an advantage or a drawback of EEO and AA. To be more specific, the collectivist approach to the management of workplace diversity focuses on the fact that the aforementioned legally imposed policies do not neglect the fact of structural discrimination and inequalities that certain categories of the population (such as women, racial and ethnic minorities etc.) have historically faced (Prasad et al. 2006). On the other hand, other organizational theorists remark that the focus on group based characteristics leads to the neglect of individual attributes such as competence and character on account of race, sex, ethnicity religious beliefs, origins etc. fact that simply entails another form of injustice and discrimination (Johns et al. 2012; Thomas 1990). In accordance with this argument, it is an undeniable fact that organizational policies based on EEO and AA philosophy often result in a backlash (often mentioned in the literature as the ‘white male backlash’), since

employees belonging to the historically dominant groups perceive the recruitment and promotion of employees on the basis of demographic attributes, as a potential threat to meritocracy (Arnold 1997; Dick and Cassel 2002; Prasad and Mills 1997; Thomas 1990).

EEO and AA are also criticized for creating a gender-, culture- and color-blind workplace, focusing more on assimilating differences than on enabling every individual to perform according to its potential (Thomas 1990). Thus, EEO and AA practices often result in the integration of culturally diverse employees to the dominant cultural paradigm in a given organization, creating what is characterized as the *American melting pot* (Prasad and Mills 1997; Prasad et al. 2006). In this way, minority employees bare the burden of adapting to a work environment, where their special capabilities and innate background cannot necessarily be accommodated.

Furthermore, EEO- and AA-based organizational policies are also criticized for being mainly concerned with recruitment (Ford 1996; Liff 1997; Thomas 1990), getting minority employees to the entry level, without any provision for their upward mobility. Such policies provide just a boarding pass, not an upgrade, whereas the real problem is to enable such employees to fully meet their potential, breaking the ceiling-glass that prohibits their promotion to middle-management and leadership positions (Thomas 1990).

Although EEO and AA have been the focus of negative critiques (briefly outlined above), their contribution to the creation of a more inclusive workplace should not be underestimated. As noted by Dickens (1999), equality regulation:

- a. sets an equality agenda for employers
- b. determines -to some extent- the conditions under which employers' decisions are taken (symbolic function of law)
- c. provides universal standard and minima regarding the management of an heterogeneous workforce
- d. alters the cost of discrimination and organizational inaction in regard to equality issues (see also Becker 1971)

Nevertheless, when these minimum prerequisites for equality and inclusion in the workplace are met, equality regulation has no further role to play, since it consists of artificial and transitional interventions (Thomas 1990) with minimum contribution to the long-term objective of creating an essentially inclusive workplace.

2.2 Diversity Management (DM): Moving Beyond Legally Enforced Organizational Practices

Diversity management (DM) bears a wide range of connotations, but it predominantly refers to voluntary organizational actions designed to generate a process of inclusion of employees from different backgrounds to the formal and informal organizational structures through particular policies, events and initiatives (De Anca and Vasquez 2007; Foster-Curtis and Dreachslin 2008; Kossek et al. 2006;

Morrison et al. 2006; Ozbilgin and Tatli 2008; Pitts and Wise 2010; Prasad et al. 2006; Rodriguez-Garcia 2010; Seymen 2006; Shen et al. 2009; Singh 2008; Syed and Ozbilgin 2009; Thomas and Ely 1996). The term *Diversity Management* and the subsequent practices emerged in the US in the 1980's, when criticism about EEO and AA was massive. DM was seen as an alternative to the legally imposed organizational policies for the management of a heterogeneous workforce.

With regard to DM discourse, the focus is not placed on discrimination, but on the contrary, on matters of difference and inclusion (Prasad et al. 2006) of employees belonging to diverse social identity groups. Within this framework, diversity is treated as an organizational resource (Noon 2007), and not simply as an organizational attribute associated with challenges that the organization should address and overcome. Difference is seen as an asset: the ideal is the creation of a healthy work climate, where the potential of all employees is acknowledged and supported (Billing and Sundin 2006; Thomas 1990). As a result, within this diversity paradigm, workplace heterogeneity is generally perceived by corporations as a strategic choice (Jonsen et al. 2011).

As already noted, the focus of EEO and AA policies is placed on the group level, being more collectivist. On the contrary, the building block of DM approaches remains the individualization of differences (Jonsen et al. 2011; Kirton and Green 2009). Thus, the target of DM initiatives is not only employees belonging to certain social identity groups, but potentially all the employees of a given organization. Consequently, the resulting benefits of DM organizational policies are perceived as affecting an organization as a whole. Therefore, it can be easily inferred that the phenomenon of 'white male backlash'—that is, the resistance of traditionally dominant groups of employees to an organization's attempt to manage a heterogeneous workforce—associated with EEO and AA, is considerably limited when organizations engage in DM practices.

In comparison to EEO and AA, DM assumes the potential to address more subtle forms of differences (Liff 1997), dealing more substantially with the challenges of a diverse workforce and going beyond the simple numerical representation of historically excluded groups (Ford 1996; Thomas 1990), ensuring the inclusion of a diverse workforce in every aspect of organizational life (Kossek and Lobel 1996). Furthermore, DM is an approach that highlights differences, rather than minimizing them (Liff 1997). It is associated with the 'valuing difference' perspective (Noon 2007); It aims not at the assimilation or the integration, but rather on the inclusion of employees belonging to diverse identity groups, through an individualized treatment to meet individual abilities and needs (Liff 1997), and the maximization of individual potential.

Unlike EEO and AA initiatives which are entrenched in a legal requirement rationale, DM is most commonly justified on the grounds of business arguments, linking diversity to business performance (Billing and Sundin 2006; Carnevale and Stone 1994; Dickens 1999; Kossek et al. 2006; Litvin 2006; Yakura 1996). This approach is widely known as the 'Business Case' for diversity management. As noted by Dickens (1999), business case recognizes a business advantage in taking

equality action and the emphasis is placed on pragmatic business imperatives (such as: meeting the demands of a diversified customer base, enhancing labor relations, responding to the needs of global markets, securing an increased market share, as well as improved skills of workforce, already discussed in the previous chapter). This approach obviously focuses on pure and tangible economic benefits and is driven by profit and efficiency motives, treating diversity as an important asset that creates and maintains competitive advantage for any given organization. Thus, there is a strong incentive from the part of the organization to voluntarily engage in the management of a heterogeneous employment base.

2.3 The Limitations of the Business Case Approach to Diversity Management

As already mentioned, *Diversity Management* (DM) discourse has been closely associated with the Business Case underlying rationale, which focuses on the potential tangible bottom-line benefits that an organization can attain through a demographically heterogeneous employment base. However, this approach appears to be rather problematic for many researchers and organizational theorists. To begin with, as noted by Noon (2007, p. 775), DM discourse “...denies the legitimacy or value of social justice arguments”. Consequently, we can infer that it neglects a moral-based grounding, and that it solely relies on instrumentality arguments. As a result, it depoliticizes the issues related to discrimination in the workplace by neglecting structural discrimination affecting historically disadvantaged groups, and it fails to challenge and potentially alter power relations, dominant ideologies or organizational goals already present within a given organizational context (Noon 2007). Thus, as underlined by Zanoni and Janssens (2004), DM discourse reflects the existing power relations between management and employees within a corporation (see also Cooper 2004; Zanoni 2011).

Moreover, relying solely on consequentialist, utilitarian arguments the business case for diversity management is very circumstantial: diversity is reduced to a commodity, or a resource subject to cost-benefit calculation (Gotsis and Kortezi 2013). The lack of an underlying universal principal for equality makes diversity management contingent in nature: this means that in some cases there is an economic-based rationale for discrimination (Noon 2007): if diversity is not beneficial enough for business pursuits, then it does not prove worth pursuing (Wrench 2005). On the contrary, there may be sufficient reasons for creating a ‘biased’ workplace, when according to the mirror-argument (outlined in the first chapter) organizations can benefit from a workforce that effectively and adequately mirrors the composition of their customer base (Jonsen et al. 2013). Then, the criteria for the composition of an organization’s personnel are not based on equality, but rely on prioritizing the concerns of their customers. Business case discourses were thus informed by the Weberian notion of instrumental rationality insofar as “managing diversity

became an apolitical, rational call to respond to changing demographic factors with the rational goal of increasing companies' bottom line" (Nkomo and Hoobler 2014, p. 251). To sum up, the consequentialist nature of the BC paradigm for diversity constitutes a limitation of great importance, especially if we take into consideration that managers often adopt a short-term approach when they define criteria for assessing an organizational benefit (Dickens 2000; Humphries and Rubery 1995; Jonsen et al. 2013).

Another problem of the BC paradigm to diversity management is the fact that, although grounded solely on practicality arguments, there is lack of empirical evidence to support it. As underlined by Johns and colleagues (2012), research findings regarding the effects of diversity on measurable business outcomes are both scarce and mixed, making BC an insufficient rationale for the maintenance of a diverse workforce (Esmail et al. 2005), and limiting its use at a purely rhetorical, discursive level (Tatli 2011). These, as well as other important forms of limitations of the BC paradigm will be further discussed in the following sections, insofar as they have triggered strong criticism, as well as raised serious controversies among the academic and research community of diversity scholars. Such limitations not only denote an urgent need to effectively enrich the scope, as well as expand the perspective of various BC assumptions, but they have also shaped the foundations of alternative approaches to diversity and its proper management. As a result, the quest for and formulation of critical perspectives has been deeply informed by existing deficiencies of BC paradigm: the latter is being subject to theoretical scrutiny ranging from efforts to reconcile ethical and business arguments, to forms of devastating criticism, as we are going to explain in the next chapters.

To summarize, morally-based antidiscrimination arguments consisting in securing equality and justice with respect to group-level differences through legally enforced practices, have been often opposed to business arguments on the intrinsic value of individual level differences as an asset that has to be properly evaluated through voluntary, market-driven initiatives (see, Table below). Equality, inclusion and social justice perspectives on diversity are thus thought of as either competing or complementary to BC rationales for commitment to diversity, fact that entailed polarity and tensions between alternative discourses on demographic differences, on which we focus in the next chapter.

| Initiatives-practices | Justification | Source | Nature-content | Level of implementation |
|-----------------------|------------------------------------|-------------------------|-----------------------------------|-------------------------------|
| EEO & AA | Moral arguments | Legally imposed | Focus on discrimination & justice | Focus on the group-level |
| DM | Business arguments (Business case) | Voluntary—market driven | Focus on differences as an asset | Focus on the individual level |

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