

Are Employees Culturally Intelligent to Manage Diversity?

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ABSTRACT

Cultural varieties are very common in almost every organization now-a days with the advent of the globalization. A large number of the organization/companies are operating their business in the different parts of the country worldwide due to globalization and it has significant impact upon the human resource management. Due to the diverse nature of the workforce at the workplace, misunderstanding and conflict takes place due to different value system, beliefs, life style, rituals socio-economic culture, and family background etc. The present paper is an attempt to examine the various issues and challenges confronted by the organization to manage the cultural diversity for organizational effectiveness.

Keywords: *Cultural diversity, Organization, Workforce and Management.*

Due to the globalization today's workplace is witnessed the diverse and multicultural workforce. The doors of the organisation across the globe are opened for the business. Not only it has impact upon the marketing, finance, human resources, and technological innovations, but also significant impact upon the people. The employees in the organization are being exposed to new business practices, innovation, technical know-how, as well as dealing with diverse workforce. As the people from different parts of the globe will work together in the organization, so the role of the HR manager is very crucial in making the employee understand the cultural varieties among employees, their belief, culture, life style, food habits, norms, and value system. Employee should understand the pros and cons of multicultural environment. HR manager should develop innovative HR practices, programme and strategies in order to attract, retain as well as motivate heterogeneous workforce and survive in competitive business environment.

Cross Cultural Differences: Importance

The world is very often known as global village. As a result, the global managers have to deal with the business managers of cross- country, as well as cross – culture. In order to survive and thrive in the competitive business world, the managers must understand other culture, ability to speak the host country language, adapt to the environment, motivating teammates, and negotiation skills. So, corporate managers should possess important competence and skills, that is, to understand the cultural diversity. The competence or skill refers to managers must understand the differences as well as the interrelations among individuals of different cultures. Each and every culture has its own ideology, belief, and

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value system, the manner by which employees interrelate, such as: greeting each other, how to communicate effectively as per their culture, perception of symbols, and other business protocols.

Effective communication can not be achieved among the employees of the different culture due to cultural barriers such as i) semantic barriers, ii) barriers due to word connotation, iii) barriers due to tone differences and iv) barriers arise out of perceptual differences. A gesture which is accepted in one culture as meaningful considered by another culture as meaningless. Some words cannot be translated by other cultures.

In order to understand the problems associated with the cross-cultural communication, understanding of the two concepts such as: i) high – context culture and ii) low context culture is very important. High–context culture countries are; China, Japan, Korea and Vietnam, the people of these countries depend more on non-verbal communication and persons official status, position and reputation plays a very significant role in communication. People of the low–context culture countries like Europe and America depend more on meaning in the communication.

Cross-cultural Differences: View of Geert Hofstede

Renowned Sociologist Geert Hofstede conducted a studies on employees those who are working in a different multi-national company (Reynolds & Valentine, 2011). His study comprises of 1,16,000 IBM employees of nearly 40 countries. The basic objective was to study the five different dimensions of work-related values of national culture. He found that managers as well as employees differ in five different dimensions. According to Hofstede one can understand and analyze other cultures in four different ways as follows:

- i. **Uncertainty avoidance:** Accepting change as a challenge, some culture accepts the change very positively where as other cultures do not. Uncertainty refers to the degree to which culture is structured or unstructured. Culture with low uncertainty avoidance accepting ambiguity, less rule driven and accepts risks where as people in culture with high uncertainty avoidance are experiencing less stress and anxiety and use laws, and rule to reduce uncertainty.
- ii. **Masculinity vs. Femininity:** The two terms “masculine” as well as “feminine” has been rejected by Hofstede himself. The other two terms such as achievement and assertiveness has been given emphasis which is important for the organization. Masculine culture refers both men and women are considered as unequal in respect power, achievement and control where as feminine refers to equality of among male and female in all the respects.
- iii. **Individualism vs. Collectivism:** Emphasis is laid upon on individual in certain culture where as in other culture the group is being emphasized. Individualism refers to the people or employee in the organization act as individuals instead of members of the groups. Individual employee seeking the group for the protection and security of his/her is known as collectivism.
- iv. **Power distance:** In the organization, when the employee perceives that organizational power is being distributed unequally is known as power distance. A high rating in power distance refers to the inequalities exists and tolerated in the organization where as low power distance emphasizes upon the equal opportunities exists in the organization.

Culture can be defined as “values inherited from generation to generation, beliefs, and ideology which are shared by people belong to a particular social group. Culture is dynamic

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as it changes over time which leads to conflict. Conflict is inevitable in the organization, may be functional or dysfunctional, arising out of the diversity in the workforce. So, understanding of the concept conflict is very important in order to understand the culture. A paper on cross-cultural conflict, written by Avruch (1998) in which he defined conflict as follows:

“a competition by groups or individuals over incompatible goals, scarce resources, or the resources of power needed to acquire them. This competition is also determined by individuals’ perceptions of goals, resources, and power and such perceptions may differ greatly among individuals. One determinant of perception is culture, the socially inherited, shared and learned ways of living possessed by individuals in virtue of their membership in social groups.”

Conflict takes place due to social interaction among individuals. Conflict among cultures leads to intercultural miscommunication as well as misunderstanding. Culture also acts as a connecting-link between “an individual identity” and “collective ones”. The concept of conflict can’t be understood as winning rather cooperation as well as competition (Avruch, 1998). Cross cultural conflict is very common in the multicultural organization. It arises due to the differences among culture. Conflict also takes place among the members in a social group due to various factors: i) family background; ii) diversity in language; iii) different religion; iv) nationality; v) socio-economic reason; vi) educational background; and vi) occupation. So, the society is made of various subcultures.

GLOBE Frame work for Assessing Cultures

Global Leadership and Organisational Behaviour Effectiveness (GLOBE) began in 1993 with the objective of conducting research on cross-cultural investigation of leadership and national culture. The study includes 825 organisations of 62 different countries and found nine different dimensions on which national culture differs. Some of the dimensions are as follows:

i) Power distance, ii) Individualism/collectivism, iii) Uncertainty avoidance, iv) Gender differentiation (similar to masculinity versus femiinity), v) Future orientation, (similar to long term versus short term orientation). Two more dimensions added to the GLOBE framework such as: a) Humane orientation and b) Performance orientation. The humane orientation refers to the extent to which society encourage and rewarded the individual who are altruistic, generous as well as help to the other individual. Performance orientation can be defined as the extent society motivates and rewarded group/team members for their improvement as well as excellence in performance .

Management of Cross-culture:

Cross cultural management defined by Nancy Adler (2008) is as follows:

“Cross-cultural management explains the behavior of people in organizations around the world and shows people how to work in organizations with employees and client populations from many different cultures.”

Managing differences in cross culture depends upon the cooperation among the different companies existing in the different countries, but due to cultural differences, it is very difficult to achieve. **Geert Hofstede** (1980) is considered as the well renowned researcher in the domain area of culture and management. In order to study the cross-culture comparison, he developed the dimensional approach which is considered as indispensable for any researcher in this field.

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Number of companies are existing in the different parts of the world due to globalization which results in communication among employees with different culture. Culture can be defined as shared values, beliefs, ideals which is learnt by the human beings, and transmitted from one generation to another generation. Culture and communication are inseparable. Communication can be defined as the process of transmitting the ideas, information, and knowledge from one individual to another individual by body language, gesture, posture, facial expression, posture etc. When one is exposed to any culture, communication is must for him/her.

Edward T. Hall introduced the term “intercultural communication”. The intercultural communication can be as “communication between two persons belonging to different cultures”. Another term which is very commonly used in the business market is the “Intercultural business communication”. It can be defined as the communication among the employees having varied cultural backgrounds within businesses. According to Chaney & Martin (2011), the term very often used is the “International communication” which refers to communication which is taking place between nations and governments. Therefore, a sound knowledge of both intercultural and international business communication is of significant importance in order to make the employees the competitive advantage as well as the opportunity to compete internationally.

Cultural Intelligence

As we all are living in a specific culture, so each individual should understand differences in that culture and adapt with it. Cultural Intelligence refers to the individual’s ability to show specific behaviors, such as: skills and attributes (Peterson, 2004). The individual’s behavior must be are culturally tuned with the attitudes as well as values of other culture.

According to Chaney & Martin, (2011) cultural Intelligence includes such as i) Linguistic Intelligence, ii) Spatial Intelligence, iii) Intrapersonal Intelligence, iv) Interpersonal Intelligence:

- i. **Linguistic Intelligence:** For international business, It is needed to learn about the consumers’ native /spoken language. In this context, in order to communicate with the consumer of other country, English is generally considered as the medium of communication with the individuals of the other culture.
- ii. **Spatial Intelligence:** refers to the space one is using at the time of meetings, and introductions.
- iii. **Intrapersonal Intelligence:** refers to understanding of one’s own culture in order to adapt/adjust with their international counterparts.
- iv. **Interpersonal Intelligence:** refers to the ability of the person to understand other peoples as well as their intended motivations.

In nutshell, when one is dealing with the people of different culture, he/she should be acquainted with their language, use of space in dealing with individual, aware about one’s culture. One should be using one’s own cultural behavior in order to deal with the other culture.

Diversity Management:

In the late 1980’s, the concept of Diversity Management developed in America. In 1990s, in UK, it has gained wide popularity as a new management concept and continued its existence due to existence of the social as well as economic climate. According to the report of the Labour market, in the 21st century, the workforce will be more diverse in nature

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due to various reasons such as: i) race, ii) ethnic origin, iii) gender, iv) age, v) sexual orientation, and vi) political and religious belief. So, diversity is key factor of any business now-a-days. According to Allard (2002), diversity is automatically part of the management system, not an option. As a result of which diversity management framework is a necessity for the organization.

In order to increase the customer satisfaction both domestic and foreign customers, diversity plays a very significant role for the enhancement of the organizations ability. It significantly contributes to increased market share (Bhadury et.al., 2000). According to Woods and Sciarini (1995), reduced cost of labour, recruitment of the right people, employee relations can be enhanced by embracing diversity. Employers can also be benefitted by the cost savings due to cost-effective recruitment process.

Morrison (1992) states that an inclusive diversity climate enhances the performance of the employee. It also increases the employees productivity level which in turn increase the job satisfaction level and employees are more committed. According to Phillips (1992), misunderstanding and conflict arise due to stereotyping and discrimination among the employees having varied nationality which leads to ineffective communication among international team members

The complexity arises in international business, can be balanced and managed at the organization level by the diversity. Indian market is a homogenous one. The marketing challenges of the companies can be handled by the marketing personnel at a national level by adapting to languages known by the consumers, knowledge of taste and preference of the consumer etc effectively. According to Dwyer et.al., (2003) the growth and development of the culturally diverse organization can be possible by the employees those who are flexible in their thinking and departed from the rigid norms of the organization. Research findings also states that gender diversity at the managerial level can be handled by adopting growth strategies of the firm.

Diversity Training

Due to globalization, employees are not only being trained on a specific task /job rather cultural training is the part of their learning process in order to deal effectively with the clients of the other countries. Most of the organization included the diversity training as a part of their training programme to examine the stereotypes and to create awareness among employees. In diversity training, the participants are being trained to value individual differences, understand the existence of cross-cultural differences and how to confront cultural stereotypes positively. Employees are being trained with examples as well as case study regarding the benefits of the richness of workforce diversity with new ideas and solving complex problems with alternatives. Organisation will be more productive when it values diversity. The diversity training also includes how to understand and value each other culture with their identity to works as team for the effectiveness of the accomplishment of the organizational goal.

CONCLUSION

For the organizational effectiveness as well as the growth of the business, management of the diverse workforce is the need of the hour. The cross-cultural differences do exist among people of the different cultures. People belonging to different culture experience the visible impact of it in their communication. As various companies are operating in different parts of the country worldwide, so also people are being exposed to different cultures.

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Communication barriers occurs, resulting of the differences between two cultures which leads to ineffective communication. In some cases, certain gestures are being understood differently by two different cultures. For example, in the American culture, nodding means understanding, where as in Japanese culture, it means listening to what is being communicated. The understanding of the intercultural communication is very much required in order to overcome barriers and people can cope up with such differences. For example, expatriates who are working in the organization completely different from their own culture, they can overcome the obstacles arising out of cultural diversity due to cultural intelligence.

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Conflict of Interest

The author(s) declared no conflict of interest.

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