

## **Cultural Diversity and Its Implications on Managing the Modern Workforce with Information Technology.**

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### ***Abstract***

*Cultural diversity has become widespread within many organizations across the globe today. Cultural diverse work groups present challenges to the organization and to managers who did not receive training in diversity management. However, if managed well it can yield many advantages, such as developing employee and organizational potential to achieve the desired success of the organization. In this paper the management of cultural diversity is discussed with the focus on the main issues: people management and knowledge management. In order to optimize the positive outcomes of the modern workforce, Information Technology (IT) is the only relevant tool. Using appropriate technologies is shown to break down cultural barriers and promote understanding and knowledge sharing between employees of different language backgrounds and hence lead to successful collaboration.*

### **Introduction**

The area of concern of this paper is the dynamics of changes taken place in the workforce diversification of the workplace is mainly due to two factors namely: the changing composition of national populations and globalization. Research conducted by Mayo (quoted by Elmuti 2001) reveals increasing diversity to be a worldwide trend that extends to many countries around the world. This paper will focus much on the most important dimensions of diversity that must be faced by management, in cultural diversity, since this will increase with the changing composition of the workforce, the influx of international workers and increasing globalization of business.

Drawing upon issues frequently raised in the organizational literature, this paper will focus on three areas. The first section will briefly examine the implications of cultural diversity in the workforce: often cultural diversity is seen as a problem, but also important to stress that cultural diversity can also provide competitive advantage to any organization working in areas of globalization. The next section will focus on issues of managing cultural diversity, in particular people management and knowledge management. Finally, the role of IT in managing culturally diverse workforce is examined.

### **Implications for managers**

If diversity is to be managed properly in order to foster better organizational performance, it is important for managers to understand and value cognitive diversity. One of the reasons is that the problems of today's business activities are complex to a higher extent than multiple years ago. Understanding the concept of cognitive diversity is therefore highly desirable for good management. Moreover, research projects are larger and more expensive, partly due to the economic hard times. Another result of the economic downfall is the greater need for innovation. Since competition increased significantly, companies have to diversify and innovate on fields other than their direct and indirect opponents. A last point of attention would include the essence of predicting the future becoming more important in the years that lay ahead of us.

Managers traditionally see cultural diversity as a problem to be dealt with. In fact, it can be a disadvantage or it can be a valuable resource to enhance competitive advantage. Here both sides of the question will be examined.

## **Disadvantages of a culturally diverse workforce**

When change is not successfully managed in culturally diverse workforce the disadvantages can reduce the productivity of the company, cause financial loss by high turnover, absenteeism and lawsuits. Companies lose all the money invested in recruiting and training when a dissatisfied employee leaves. In addition, lawsuits on racial discrimination can also cause financial costs to the company (Daft 1997; Robinson and Dechaut 1997).

Reduced individual and organizational productivity is also a problem. Because when people experience prejudice and non-acceptance become less innovative and aggressive in pressing their ideas or in assuming leadership. They will not voice disagreement, because they want to be accepted, and time will be wasted due to poor communication and misunderstandings (Loden and Rosener 1991; Daft 1997).

Lastly, a less obvious impact is the tarnished corporate image that develops around employee dissatisfaction. If a corporation becomes known as one that alienates non-traditional employees, it will have a hard time finding qualified workers in periods of limited skilled labour supply (Daft 1997, Elmuti 2001)

## **Advantages of a culturally diverse workforce**

By capitalising on the potential benefits of diversity, organizations will have added value and competitive advantage over organizations which do not respond to this challenge (Kandola and Fullerton 1994, Karpin 1995).

Firstly, if people feel valued regardless of their background, it will lead to increased commitment and productivity, and enhanced work relationships, and the recruitment and retention of the best employees (Loden and Rosener, 1991; Daft 1997).

Second, companies can drive business growth and improve customer service by involving their diverse workforce.

Third, organizations can expect enhanced creativity and problem solving from a diverse workforce.

## **Cultural diversity management issues**

There are main issues in managing a cultural diverse workforce; namely, people management and knowledge management.

### **People management**

Managers of every company have to recognise the differences and to value and use the unique strengths each person brings to the workplace. (Karpin 1995; Daft 1997). There are several beliefs and attitudes that can hinder the process.

1. Ethnocentrism is the belief that one's own group and subculture is inherently superior to other groups and cultures. These assumptions and inaccurate stereotypes hinder efforts to take advantage of unique talents and abilities. (Loden and Rosener, 1991; Daft 1997, Sadri and Trant, 2002).
2. The glass ceiling: The glass ceiling is "an invisible barrier that separate women and minorities from top management positions" (Daft 1997, p. 462).women and minorities can look up through the glass ceiling and see management but there are invisible obstacles that block their own advancement (Daft 1997)

### **Knowledge management**

Knowledge management is the process of capturing, developing, sharing and effectively using organizational knowledge. It refers to a multi-disciplined approach to achieving organizational objectives by making the best use of knowledge. Harris (2001) states that knowledge is contained within the minds of employees, and is possibly the only resource that when used, can enhance the value of other capital and not diminish in value.

## **Managing a diverse culture with information technology**

Information Technology can assist in managing cultural diversity in the workplace. Some international employees might find physical approachability to be more daunting than helpful because of language barriers between themselves and their managers. Communication and knowledge management tools such as email, intranets, videoconferencing, electronic bulletin boards, messaging systems and calendars, all help to foster good communication and collaboration, and sometimes help breakdown language and cultural barriers. E.g. videoconferencing is a good tool for cultural diverse workplace because, unlike more text-based IT, videoconferencing enables team members to see facial expressions, gestures and many other visual ones. Pauleen and Yoong (2001, p. 210) found that 'eyeing' people was • important in relationship building and that videoconferencing generally enhanced social relationships by allowing people to 'put a face to a name'.

## **Conclusion**

Organizations with diverse employees are better suited to serve external customers in an increasingly global market. Such organizations have a better understanding of the requirements of the legal, political, social, economic, and cultural environments. The study also focuses on barriers encountered by employees for accepting workplace diversity in IT sectors in South Africa. The study highlights that ignoring diversity issues costs time, money and efficiency. Some of the consequences can include unhealthy tensions; loss of productivity because of increased conflict; inability to attract and retain talented people of all kinds; complaints and legal actions; and inability to retain valuable employees, resulting in lost investments in recruitments and training.

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