Chapter 98
International Diversity Management Approaches for Marketing to Create Innovation

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ABSTRACT

This chapter provides an overview of several approaches to International Diversity Management (IDM) for marketing departments striving for innovation. Approaches to IDM are explained and distinguished in two groups: four process and three structure approaches. Process approaches are IDM approaches that explain how diversity is considered in a model or perspective. Structure approaches are IDM approaches on how to act in an organization to deal with diversity. The four discussed process approaches to IDM are the following: the relational framework (Syed & Özbilgin, 2009), the diversity typology (Harrison & Klein, 2007), the Categorization-Elaboration Model (CEM) (Van knippenberg, De dreu, & Homans, 2004), and the social categorization versus the information-decision-making perspective (Williams & O’Reilly, 1998). The following three structure approaches to IDM are discussed: a conceptual IDM framework, the perspective approach, and the multicultural approach. Then, two sections are dedicated to the suitability and relevance of the approaches to marketing. Finally, a retrospective view is given to the link between marketing, IDM, and innovation. The approaches, guidelines, and factors mentioned in this chapter provide insight into how IDM can be implemented to achieve innovation in the marketing field.

INTRODUCTION

Today, the human resources of most marketing departments possess an international touch. Employees may originate from foreign countries or employees from an office in one country have to work together with employees from an office in another country. Foreign employees may expose specific differences among employees in the same office as employees may behave differently. Due to widespread immigration and easy travel, we find ourselves in an era in which we are exposed to a large number of multicultural employees in white-collar and blue-collar industries. Therefore, almost all organizations deal with International Diversity Management (IDM) to some extent. However, what does IDM actually mean?
The purpose of this chapter is to answer the question of what IDM encompasses; therefore, we must have a prior understanding of Diversity Management (DM). In the first part of this chapter, the view of social categorization and the information-decision-making perspective is explained. This section provides a brief overview of the current two main streams in DM. The section then explains the relevance of one particular type of diversity in the context of IDM; namely, cultural diversity. The remainder of this section will be primarily focused on cultural diversity as it is the most relevant type of diversity concerning IDM.

Approaches to IDM are explained and distinguished in two groups: four process approaches and three structure approaches. Process approaches are processes which explain how diversity is considered in a model or perspective from. Structure approaches provide IDM structures how to act in an organization to deal with diversity. The four process approaches to IDM discussed in this section are the following: the relational framework (Syed & Özbilgin, 2009), the diversity typology (Harrison & Klein, 2007), the Categorization-Elaboration Model (CEM) (Van knippenberg, De dreu, & Homans, 2004), and the social categorization versus the information-decision-making perspective (Williams & O’Reilly, 1998). The structure approaches to IDM consist of the following three approaches: a conceptual IDM framework, the perspective approach, and the multicultural approach. Later, two sections are dedicated to the suitability and relevance of the approaches to marketing. Finally, a retrospective is given to the link between marketing, IDM, and innovation.

**INTERNATIONAL DIVERSITY MANAGEMENT (IDM)**

Without the international component, DM is concerned with the management of similarities and differences of employees in the workplace in order to ensure a positive work environment (Patrick & Kumar, 2012). DM in the workplace can refer to personal aspects which may vary among people: gender, race, education, experience, cultural and personal values, work ethics, tenure, etc. These aspects may have an influence on the workplace, mainly due to differences in perception (Patrick & Kumar, 2012). Therefore, perceptions of diversity may have a strong influence on how diversity can be managed best (Garib, 2013). Successful DM can lead to an improved organizational performance (Özbilgin & Tatli, 2008). For example, research has shown that a higher amount of diversity in teams over time leads to a greater amount of creativity (Cox & Blake, 1991). Furthermore, diversity can lead to an increased level of innovation and the creation of new ideas (Cox, 1993; Knouse & Chretien, 1996; Milliken & Martins, 1996; Watson, Kumar, & Michaelsen, 1993; Wiersema & Bantel, 1992), increased productivity (Gonzalez & Denisi, 2009), a greater group effectiveness (Pettigrew, 1998; Knouse & Dansby, 1999), and an improved fulfillment of a wider range of tasks (Northcroft et al, 1995). Unfortunately, the lack of DM or badly implemented DM may lead to negative effects in the workplace. For example, research has shown that diversity can lead to a low level of cohesion and higher task conflict (Pelled et al. 1999), low commitment and low satisfaction (Jehn et al., 1999), poor communication and high conflict (Ancona & Caldwell, 1992), high level of competition (Thomas, 1990), and a low level of integration (Jackson et al., 1991; Blau, 1977; O’Reilly, Williams, & Barsade, 1989). Therefore, it seems diversity may lead to both negative and positive effects depending on how DM occurs. Consequently, these negative effects may have strong adverse and even obstructing effects on the creation of innovation as a diversity outcome.

The effects of diversity are often related to the two ways in which diversity has been distinguished. Diversity in the workplace can be distinguished in two main categories: strongly visible aspects and less visible aspects (Williams & O’Reilly, 1998).
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