Chapter 2

A History of How U.S. Academics, Laws, and Business Have Created the Current Approach to Organizational Diversity: Visual, Innovative, and All-Inclusive Multiculturalism

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ABSTRACT

While the legal motive focuses on legal compliance and the branding motive emphasizes making the workplace representative of the consumer market to gain a bigger share, the value-in-diversity motive focuses exclusively on the value that is attributed to the workplace as a result of increased diversity. The value of diversity purported by this motive transcends the visible aspects of diversity, which organizations might obtain when motivated by legal compliance or branding, and features both the detectable aspects of diversity as well as those not as easily detectable. Hence, the purpose of this chapter is to clearly define and address the original intended usage of terms among academicians, the law, and businesses regarding diversity: modern diversity (visual diversity vs. innovative diversity). Upon having a clearly defined understanding of visual diversity and innovative diversity, implementation of knowledge, skills, abilities, and other characteristics (KSAOs) within diversity will be addressed.

DOI: 10.4018/978-1-5225-6912-1.ch002
INTRODUCTION

Globalization has meant that today every company, large and small, faces increased competition at home from foreign companies, at the same time as they confront the need to be competitive in the international market (Nataatmadia & Dyson, 2005). In order to prevail, companies need to adopt new ways of doing business, with sensitivity toward the needs of different cultural practices. They must compete for the best talents that can find, and search for ways to get the best from the employees they now have (Daft, 1997; Thomas, 1991). As such, populations typically underrepresented in organizations, particularly ethnic minorities and women, have become an integral part of the workforce. Leveraging this diversity has important implications for the promotion of positive organizational change through its facilitation of both individual and organizational performance (Brief, 2008; Earley & Mosakowski, 2000; Williams & O’Reilly, 1998), thus, the need to create organizational environments receptive to diversity is therefore greater than ever.

Numerous organizations have recognized and attempted to respond effectively to the demographic shifts in the workforce by launching diversity initiatives, hiring diversity consultants, and offering an array of diversity training programs (Kalev, Dibbin, & Kelly, 2006). A similar focus on these demographic trends and their implications for organizations is found among academic researchers, as seen, according to Stevens, Plaut, and Sanchez-Burks (2008), in more than 450 articles on diversity in the workplace just since 2000. Scholars and practitioner have not, however, reflected sufficiently on whether—and to what extent how—organizational approaches to diversity promote employee receptivity to these initiatives. Thus, the purpose of this chapter is to clearly define and address the original intended usage of terms among academicians, the law, and businesses regarding diversity: modern diversity (visual diversity vs. innovative diversity). Upon having a clearly defined understanding of visual diversity and innovative diversity, implementation of knowledge, skills, abilities, and other characteristics (KSAOs) within diversity (Tran, 2008) will be addressed. Thereafter, this chapter will conclude with recommendations on effective and appropriate program(s) on managing diversity in organizations based on KSAOs.

DIVERSITY

Research over the past 50 years has shown little consensus about what constitutes diversity or how it affects organizational processes and outcomes (Williams & O’Reilly, 1998). A common definition of diversity refers to the degree to which a workgroup or organization is heterogeneous with respect to personal and functional attributes (Jehn, Northcraft, & Neale, 1999). The extant literature on organizational diversity has produced inconsistent results on effects of diversity, with some researchers finding beneficial effects, such as increased creativity, productivity, and quality (Earley & Mosakowski, 2000; Ely & Thomas, 2001; Polzer, Milton, & Swann, 2002; Swann, Kwan, Polzer, & Milton, 2003; Watson, Kumar, & Michaelsen, 1993), and others finding a detrimental influence on organizational outcomes—particularly through process losses, increases in conflict, decreases in social integration, and inhibition of decision-making and change processes (Chatman, Polzer, Barsade, & Neale, 1998; Jehn et al., 1999; Mannix & Neale, 2006; Morrison & Miliken, 2000; Westphal & Milton, 2000). Following from such inconsistencies, diversity has been dubbed a double-edge sword for organizations (Williams & O’Reilly, 1998).

Hence, when examining the meaning of diversity, a number of definitions surface. On one hand, diversity can refer to outwardly visible differences, and it may be used to describe unseen differences